

## Government offices closed to public in workers' protest

By AARON SITTNER  
Jerusalem Post Reporter

Work at government offices was halted yesterday as employees joined the first of two days of protests to protest against government orders to limit certain wage levels.

"Persons visiting the offices were not admitted in person or by handwritten notices — 'No Reception of Public Today!'"

The workers have been angered by a Treasury directive reducing participation in workers' mobile maintenance and a cut in allowable overtime.

Even Ben-Ami, secretary of the Civil Servants Union, warned yesterday: "If the sanctions today tomorrow do not help, we can call a total strike. But in view of the tense power our union wields, we feel we should think long and hard before declaring a general strike."

A National Insurance headquarters, a woman applying for a disability allowance was told to write

out her request and place it in a box on the information desk.

At the Ministry of Trade and Industry, applicants for import licenses and other documents were advised to "go home and return on Tuesday." A team of workers' committee leaders stood at the door, and refused to allow anyone but ministry employees to enter the building.

For its part, the Civil Service Commission has threatened to dock the workers' pay for the two days of sanctions. But the Treasury's spokeswoman told *The Jerusalem Post* last night: "At this time we have no comment on the workers' action." She said that the worst disruptions in Treasury offices yesterday occurred in customs duty stations, where clerks refused to process forms.

Meanwhile, the Social Service Workers Union has warned the Labour and Social Affairs Ministry that most state social welfare offices have used up this year's budget allocations and are in danger of closure.

## Emergency regulations for ports authorized

Jerusalem Post Staff

The cabinet yesterday authorized Transport Minister Haim Lau, at his request, to promulgate emergency regulations ordering the workers at Ashdod and Haifa to resume normal work "should the strike arise."

The dockers' go-slow strike has halted agricultural exports and cost the country's farmers several million dollars.

Lau explained that despite the order to the dockers to halt or slowdown they had only increased their tempo partially but not yet moving cargoes as fast before the dispute. He said the

dockers would hopefully get back to their usual pace once they knew they could incur back-to-work orders, whose violation would bring penalties.

Earlier the Histadrut central committee yesterday decided to set up a team composed of representatives of the Histadrut, the Haifa and Ashdod labour councils, and the port workers labour committees which would meet continuously to settle the dispute with the port authorities.

"During these negotiations, the ports would operate as normal and all workers would continue to load

(Continued on Page 2, Col. 2)

## Teachers cancel 2-hour strike after Shmueli offers new plan

By LEA LEVAVI  
and SUSAN BELLOS  
Jerusalem Post Reporters

LAVIV. — The two-hour school strike that the Histadrut Teachers' Union had planned for today was called yesterday following the announcement of a plan by Education Minister Shmueli to use teachers' college students, women soldiers and other personnel as substitutes during teacher absences.

The plan to strike resulted from a decision by the ministry not to replace substitute teachers for the three days of the regular teachers' absence as part of its budget-cutting effort.

The ministry seems to be sticking to its plan that it says will lead to a saving of IS360 million a year. The ministry wants existing staff in schools to assume the extra workload. This proposal elicited

some vigorous protests from the union as well as the Secondary School Teachers' Association especially after Shmueli suggested last week that classes without their regular teachers might be supervised by "senior pupils, parents who may care to volunteer." He also suggested that pupils study in the library or play ball in the yard during teacher absences.

Yesterday, however, Shmueli offered some more concrete help. He told *The Jerusalem Post* that he was instructing the ministry's personnel department to call on the services of "13,000 students at teacher training colleges, 1,000 religious women doing alternative national service and 700 women soldiers. All of these can serve as substitute teachers," he said, adding that there will be an official in charge in each school district who will see to the al-

(continued on Page 3, Col. 4)

## University heads meet Shamir today

Jerusalem Post Staff

A meeting between Prof. Haim Hebra, chairman of the Council of Higher Education planning and finance committee, and Finance Minister Yigal Cohen-Orad ended conclusively yesterday. The two are attempting to find a solution to the financial crisis threatening the country's universities.

Last night, university heads met at Bar-Ilan University to prepare for today's crucial meeting with Prime Minister Yitzhak Shamir. The universities have threatened to go tomorrow in protest against

the budget cuts demanded by the Treasury.

The Tel Aviv University Student Association said in a statement that it is willing to join forces with the university administration in the fight against budget cuts, but then wants the administration to help the students fight a rise in this year's tuition.

Meanwhile, 780 scientists and lecturers from all of the country's institutions of higher learning have signed a letter to the prime minister warning him that research is nearly paralyzed, and urging the government to act to change the situation.



Former prime minister Menachem Begin leaves the official prime minister's residence in Jerusalem on Saturday night, bound for his new home in Jerusalem's Yafeh Nof neighbourhood. His daughter Hassia has her back to the camera. (See story Page 2.) (Zom-77 team)

## Body of missing Haifa boy discovered in Galilee forest

By DAVID RUDGE  
Jerusalem Post Reporter

HAIFA. — The body of 15-year-old Danny Katz, missing from his home in the Danya neighbourhood since last Thursday, was discovered yesterday in a pine forest 40 kilometres away, near Moshav Ya'ad in the Segov region of the Galilee, police reported. There were signs of "brutal violence" on the body.

Police believe Katz was killed on Thursday in another location and his body was taken to the forest and dumped.

A special squad of detectives from Galilee and Haifa, headed by Rav Pakad Dov Ganor has been set up to investigate the murder. A shepherd boy found the body just after 10 a.m. yesterday. He immediately raised the alarm and a large force of police went to the scene.

A pathologist from Tel Aviv examined the body and the spot where it was found. A post mortem was to be carried out.

Scores of police with tracker dogs scoured the area in the search for clues, but their efforts were hampered by heavy rain.

The Northern District Police Spokesman, Rav Pakad Danny Kufner, said the investigation was being given top priority in view of the importance to public safety.

"We have gathered the best investigators who have a great deal of experience with such crimes and they are doing their utmost to find the person or persons responsible. We have several lines of inquiry and each one is being checked very carefully," he said.

Police are working on the theory that Katz was murdered by somebody who gave him a lift shortly after he left his home in Rehov Gruenbaum at around 5 p.m. on Thursday, but they have not ruled out other possibilities, including terrorism.

Katz, who has three elder brothers and two sisters, had arranged to take some school books to his friend's home 400 metres away and then accompany his friend to Haifa University's gymnasium for a tennis match.

Katz failed to arrive and his friend made his own way to the university. When he returned he telephoned Katz's home only to be told that his friend was missing.

## Snowstorms hit Hermon as rain falls in most areas

Jerusalem Post Staff

KIRYAT SHMONA. — Snowstorms were raging all day yesterday on Mount Hermon, as the lower ski slopes where the cable-car is situated registered 25 centimetres of snow. Sources at the slopes said they would open the season when the depth of snow passed 60 cm.

Light snow-falls also occurred on the Golan Heights yesterday, as rain blanketed most of the Galilee.

Heavy rain fell in the Galilee yesterday, for the second time in the past four days. Farmers said the rain came a little late, but the danger of drought appeared to be reduced. The farmers stopped irrigating their fields.

In Jerusalem and Tel Aviv rain fell most of the morning, but cleared up towards evening. Rain also fell in the Ashdod area.

(See picture, P.2.)

## Shares rise sharply as investors start to buy

By JOSEPH MORGENSTERN  
Post Finance Reporter

TEL AVIV. — Share prices moved up sharply yesterday as no fewer than 161 individual securities posted gains of 5 per cent or more. There were many issues that rose by 10 per cent while a handful, or more, posted gains of 15 per cent.

For the first time since October the general public appeared to be nibbling at shares and making a

cautious return.

Yesterday's move came in the aftermath of two weeks of generally advancing prices which were achieved on low daily turnovers of under \$2 million in non-banking shares. Of the total turnover of IS935 million yesterday, the equivalent of \$2.25 million was traded in non-banking shares. Bank shares had a bad day, falling by as much as 3.9 per cent.

## Settler arrested in West Bank killing

Jerusalem Post Staff

Ephraim Siegal, a 26-year-old resident of the West Bank settlement of Eilon Moreh, was remanded in police custody for four days by the Netanya Magistrate's Court yesterday in connection with last Thursday's fatal shooting of an 11-year-old Arab girl in Nablus.

At an identity parade held yesterday in Nablus, two local residents and a reserve soldier reportedly failed to pick out Siegal as the gunman. They had previously told police they had seen the attacker.

Siegal was born in the U.S. and now runs a computer business in the settlement. He was detained by police on Friday. Police said that he and his car — a brown Citroen — were seen in the area near where Aishu Adnan el-Bahsh and her sister were shot on Thursday.

The police representative in the court, Rav-Pakad (Superintendent) Yehuda Elbaz, told the court that Siegal had been seen shooting in the air near the scene of the murder, but admitted that police had no further evidence to link him to the fatal shooting.

Elbaz confirmed that police are looking for a blond man in army fatigues who was reported to have fired into the bakery where the girls were wounded and that bullets and cartridges recovered by forensic specialists are being examined at the national police ballistics laboratory.

Siegal, it has been learned, was questioned two months ago after local residents reported that he had fired into the air after being stoned as he drove through the town.

Wrapped in a prayer shawl which completely covered his face, Siegal said on emerging from the court that he opposed the use of violence against the Arabs. He said that he had been falsely accused since he and his car are well-known in Nablus.

The Tehiya Party central committee yesterday expressed sorrow at the killing of the girl in Nablus and condemned those responsible. But the committee cautioned against passing judgement before people are tried and convicted.

## Petrol bombs thrown at bus near El-Bira

Two petrol bombs were thrown at a police bus near El-Bira at about 6 p.m. yesterday on the Jerusalem-Ramallah road. The two bombs exploded but there were no injuries or damage. (Itim)

## Israel keeping Arafat guessing on evacuation

By ASHER WALLFISH  
and Jerusalem Post Staff

Israel wants to keep Yasser Arafat guessing and nervous about the possibility that its forces might harass the evacuation of the 4,000 PLO members from Tripoli in northern Lebanon to a refuge in Tunisia.

The prospect that Israel Navy boats might halt the transports carrying Arafat's loyalists is less than likely but despite that, officials in Jerusalem repeat that Israel will give no guarantees for a safe evacuation.

Cabinet secretary Dan Meridor would not comment yesterday on the question whether Israel might take steps to delay the PLO's departure on Greek boats from Tripoli, or to make it impossible for the terrorists to leave by sea.

Meridor made the following statement after the weekly cabinet session: "The UN which was set up to promote peace and protect human life has no right to extend aid or protection to terrorists moving from one base to another. It is contrary to the character and the function of the U.N. Other enlightened nations should not help the terrorists either, especially after the bus-bomb outrage in Jerusalem."

One source in Jerusalem said that Israel was also protesting against the UN's consent to ship the PLO men out to Tunis along with their weapons and other military stores. Observers in Jerusalem said the granting of a safe-conduct could be

turned against Israel in the future and used as a precedent. It could also tie Israel's hands in future in anti-terrorist operations.

Officials in Jerusalem say that Israel's security situation would improve if the 4,000 terrorists are out of Lebanon but that need not entail any word or deed on Israel's part to make the exodus easier since Arafat's supporters are neutralized at present anyway, in the besieged town.

One senior source noted that Israel could not give safety guarantees to an organization which it had been fighting for almost two decades and which had carried out numerous terrorist activities against the state and the Jewish people. Furthermore it was an organization which had declared war on the State of Israel.

The sources said that Israel actually does not particularly want to take action against Arafat and his men, nor does it see how it can take action if the terrorists are sailing on boats belonging to nations which have diplomatic relations with Jerusalem.

The first part of yesterday's cabinet meeting was designated as the Ministerial Committee for Security Affairs and it heard reports from the chief of staff and head of military intelligence on security matters.

Lebanese Prime Minister Shafik Wazzan held lengthy discussions with a group of politicians from Tripoli yesterday on security arrangements to safeguard the

(Continued on Page 2, Col. 5)

## Lebanese villagers mob IDF patrol

By MENAHEM HOROWITZ  
Jerusalem Post Reporter

METULLA. — Israeli security forces yesterday arrested a number of people from the Lebanese village of Milke, 10 kilometres south-east of Sidon, following a riot in which IDF soldiers were forced to fire into the air to protect themselves.

The IDF patrol entered Milke to conduct searches, and was mobbed by dozens of villagers who tried to prevent the patrol from proceeding. According to military sources, no one was hurt by the shooting, but the Lebanese radio reported that five villagers suffered leg wounds. Observers said that the search

was prompted by light arms fire directed yesterday morning at an IDF jeep and command car south of the Zaharani River. No one was hurt in the incident.

Wide-scale searches continued yesterday for the terrorist gang which planted the explosive device south of Sidon on Saturday night, which killed an IDF soldier. (See page 2.) Dozens of roadblocks were set up, hundreds of cars searched and many villagers in the region questioned.

According to military sources, terrorists in the area are hiding out in deserted or partly-built houses and in orchards.

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## The weather at major Swissair destinations

11.12.83	MIN.	MAX.	C	F	W
AMSTERDAM	2	36	6	43	Rain
BRUSSELS	2	29	4	39	Clear
BUENOS AIRES	19	66	26	79	Clear
CHICAGO	13	9	1	33	Rain
COPENHAGEN	-9	18	-2	28	Clear
FRANKFURT	3	27	5	41	Rain
GENEVA	3	27	5	41	Rain
Helsinki	15	5	10	14	Clear
HONG KONG	18	64	23	73	Clear
JOHANNESBURG	16	61	26	79	Clear
LISBON	9	48	15	59	Clear
LONDON	0	32	4	39	Cloudy
MADRID	1	34	8	46	Clear
MONTREAL	-9	16	-1	34	Cloudy
NEW YORK	5	42	12	54	Cloudy
OSLO	-12	10	-8	18	Clear
PARIS	1	34	7	45	Cloudy
RIO DE JANEIRO	20	68	33	91	Cloudy
SAO PAULO	19	66	26	79	Clear
STOCKHOLM	10	14	8	18	Clear
TOKYO	8	46	16	61	Cloudy
TORONTO	-4	25	-1	34	Clear
VIENNA	-3	27	2	36	Cloudy
ZURICH	3	37	6	43	Rain

\* For the latest weather conditions, contact Swissair.  
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### THE WEATHER

Forecast: Morning local rain, later partly cloudy.

Jerusalem	Yesterday's High/Low	Today's High/Low
Jerusalem	17/7	13/1
Golan	100/60	5/20
Nahariya	82/22	5/11
Safed	56/12	12/19
Haifa Port	68/10	10/17
Tiberias	64/7	17/17
Nazareth	64/7	17/17
Afula	85/11	14/16
Shomron	85/11	14/16
Tel Aviv	85/11	14/16
B-G Airport	85/11	14/16
Jerich	76/10	19/20
Gaza	46/4	18/20
Beersheba	25/8	18/23
Eilat		

### Hammer will spend week recuperating

TEL AVIV (Itim). — Education and Culture Minister Zevulun Hammer, who suffered a heart attack two weeks ago, was discharged from Sheba Hospital at Tel Hashomer before noon yesterday. He will spend about a week recuperating at the Kfar Hamaccabiah sports village in Ramat Gan.

### Arlosoroff inquiry will end hearings

TEL AVIV (Itim). — The commission of inquiry into the murder of Labour leader Haim Arlosoroff half a century ago is expected to finish hearing witnesses by the end of the year, it was learned yesterday. The commission has heard more than 40 witnesses in eight public sessions. Three more public sessions are scheduled this month.

### Six bus blast victims released from hospital

Six of the persons wounded in last week's terrorist bus bombing in Jerusalem were discharged yesterday from the Shaare Zedek Hospital. Twelve more are still hospitalized, three of them seriously wounded in the intensive care unit. In Hadassah Hospital at Ein Kerem, there are still eight wounded persons, four of them in the intensive care.

### Falashas to continue learning Hebrew

The Falashas will continue learning Hebrew, Education Ministry Director-General Eliezer Shmueli pledged yesterday. Shmueli said that everyone entitled to learn at Hebrew ulpanim would continue to receive lessons and would not be deprived of that right by the ministry's budget cuts.

### 2 boys killed playing with shell found in field

Jerusalem Post Staff  
Two teenage boys were killed on Saturday near Jericho while playing with an unexploded shell they found in an area used by the army for maneuvers, which went off. The boys, aged 13 and 14, had been sent by their father into a field to look for a lost sheep.

### YESHIVA

(Continued from Page One)  
priest on Yom Kippur. Eliav Mordechai, director of the Atarat Cohanim College which caters to outside students, refused to comment on the move into the new building. But he stressed that the Atarat Cohanim students are in no way like their neighbours. Birkat Avraham, who have become notorious because of brawls with Arabs. Atarat Cohanim believe in peaceful coexistence, he said. Atarat Cohanim run courses and seminars, many of them under the aegis of the Education Ministry. Mordechai said. The purpose of these courses is to increase awareness of the role of Cohanim (priests) and to teach about the temple. "We want to raise the public's spirituality. If the public wants the temple to be it will be." Police said last night that as far as they knew only one man was moving into the building on Agbat Al-Saraya, and that the move was legal.

## HOME AND WORLD NEWS

هذا من الاصل

## Shi'ites vow to boycott Lebanon security talks

BEIRUT (AP). — A security committee charged with stabilizing Lebanon's fragile cease-fire failed to convene yesterday after Shi'ites vowed to boycott the sessions until Christian militiamen free kidnapped Moslems and the government lifts press censorship.

Heavy fighting broke out in Beirut's southern suburbs last night, ending the two days of relative calm in the capital.

Security sources said the clashes lasted five hours, escalating during the evening despite a new cease-fire arranged at 2.30 p.m. A second truce, two hours later, appeared to hold.

Right-wing Christian Phalangist radio said fighting began with early afternoon sniping in the southern suburbs, where the Lebanese Army is facing the Shi'ite Amal (Hope)

militia, and developed into duels with heavy weapons.

Meanwhile yesterday, Lebanese Foreign Minister Elie Salem conferred with King Fahd of Saudi Arabia on efforts to resume the stalled reconciliation talks between warring Lebanese factions, officials said.

The reconciliation talks were held in Geneva under an agreement mediated by Saudi Arabia and were suspended to give Lebanese President Amin Jemayel time to hold talks with U.S., Saudi and Syrian officials.

A visit by Jemayel to Syria was called off last month when president Hafez Assad was taken ill. Salem came here from Damascus after briefing Syrian officials on recent Washington talks between President Reagan and Jemayel.

## U.S. wants Israel to help Druse-Jemayel relations

Jerusalem Post Reporter  
The U.S. administration wants Israel to act more energetically in order to bring about a political accommodation between the Druse in Lebanon and the government of President Amin Jemayel, an informed source told *The Jerusalem Post* last night.

Administration leaders put this request urgently to Prime Minister Yitzhak Shamir and Defence Minister Moshe Arens in Washington 10 days ago and explained that the administration placed top priority on enabling the Jemayel regime to establish its authority in the Shouf Mountains, *The Post* understood.

Following the relative thaw-out in relations between the Lebanese

Druse and Israel since the IDF left the Shouf, the U.S. administration asked Shamir and Arens to "work out on the Druse" and get the community to go half-way to meet Jemayel.

Lebanese Druse personalities visiting Israel in the past few days have been asked by their Israeli hosts what are their minimum demands with regard to additional posts in the government and the civil service.

The U.S. administration, for its part, said it would continue to urge Jemayel to a reform in the power-sharing arrangements on which the Druse could negotiate.

Israeli experts hold that Druse complaints about Jemayel's political inflexibility are well-founded.

## Moroccan king 'less strident' over U.S.-Israel relations

RABAT, Morocco (AP). — U.S. Secretary of State George Shultz, who met with King Hassan II yesterday, apparently encountered less resistance to strengthened U.S.-Israeli ties than he has from other Arab leaders.

Shultz, who met with the king for 2 1/2 hours, declined to answer directly whether the king had voiced criticism of the strengthened U.S.-Israeli ties, particularly the new military relationship that was denounced by Tunisian President Habib Bourguiba at a meeting in Tunis on Saturday.

"His majesty is a very sophisticated man," Shultz said of King Hassan. "I think I won't speak for him. He will speak for himself."

But from my standpoint we had a very searching and satisfactory discussion."

A senior State Department official said later there had been criticism but that it was "less strident" than in Tunisia. U.S.-Israeli military ties, announced after Prime Minister Yitzhak Shamir's visit to Washington two weeks ago, have also been criticized by Saudi Arabia, Jordan and Egypt.

The senior official said much of the decision between Hassan and Shultz focussed on how to resolve the Palestinian issue, specifically "how the logjam might be blasted loose." But he indicated that it was "a broad analytical discussion," without specific ideas.

## Jerusalem rates trebled

By MICHAEL EILAN  
Jerusalem Post Reporter  
The Jerusalem City Council last night decided to treble municipal rates, and other cities are expected to follow suit.

At the same time, road building in the capital, including the large project to redesign the western entrance to Jerusalem, is being slowed down because the municipality isn't getting enough money to pay contractors on time, a senior municipal source said last night.

The rate (*armon*) was raised by an extra 200 per cent because that is the city's estimate of inflation from January to the end of December this year. City officials, in explaining the proposal to council members, said they used "low" Treasury estimates of an extra 15 per cent inflation in both November and December to reach the figure of 200 per cent.

City officials said last night that they expect other towns to also treble their rates. Jerusalem, they added, may in fact have a lower raise than other cities since by raising its taxes early it hopes it will benefit from earlier payment.

## EMERGENCY

(Continued from Page One)  
export produce, including citrus," Histadrut Secretary-General Yehoram Meshel said, noting that the decision to also load and ship citrus had been unanimously decided by members of the central committee.

In Haifa port, the congestion got worse yesterday although there was neither citrus fruit nor any farming produce to be loaded. There were 13 freighters being loaded and discharged at half the normal speed by the stevedores and another nine forced to wait their turn in Haifa Bay outside the breakwater.

Meanwhile, the head of the Lower Galilee Regional Council, Benny Garfinkel, said yesterday that the strike in the ports is severely hurting agriculture in his area and in the Jordan Valley.

Garfinkel said that in the Jordan Valley, about 10,000 tons of lemons in crates are being kept in packing houses waiting for shipment. He said there are about 100,000 crates of lemons in packing houses throughout the country waiting for export. He said fruit held in such conditions for over 10 days is likely to spoil.

### Police remove man's body from Wadi Kelt

Jerusalem Post Reporter  
Police in the Judean district yesterday removed from Wadi Kelt the body of a young man who apparently died after a fall while rope climbing in the wadi over the weekend.

The man, who was French, about 25-years-old and had a red beard, had been living in the wadi for some two years, according to police.

His body was discovered over the weekend, but police only managed to get it out of the niche in which it was caught yesterday afternoon.

## Kollek raps terror wave, no progress in probe

Jerusalem Post Reporter

Jerusalem Mayor Teddy Kollek last night condemned the spate of terror incidents in the city over the weekend, saying that "terror only breeds terror." He decried the fact that several Christian institutions were among the targets selected by an allegedly Jewish terror organization.

"The Christians have been here for 2,000 years, living quietly, and they have begun to come around to understanding our claim to the city," Kollek said.

The scale of last week's activities shows that it is the work of a group and not isolated individuals, he said.

Meanwhile, Jerusalem police are convinced that there is a link between the failed weekend grenade attacks in East Jerusalem and Mt. Zion and the arson of six automobiles owned by Arab residents of the capital's mixed Jewish-Arab neighbourhood of Abu Tor.

Police yesterday put several detectives on the case, but as of last night, no arrests had been made nor were police able to report any progress in identifying the members of Terror Against Terror. A spokesman for the group had claimed credit Friday morning for the planting of booby-trapped hand grenades.

A police source told *The Jerusalem Post* yesterday that he is "deeply concerned" about the possibility of IDF-trained Jewish terrorists operating in Jerusalem. He said that the bomb squad, which has been handling about 50 calls a day since the bombing of the number 18 bus last week, "has enough work without having to worry about some crazy Jews planting bombs."

But he said that he was not optimistic about arrests in the near future.

Police sources said last night that the only known member of an organization called Terror Against Terror has been a resident of Ramle Prison "since the early seventies." He is Yoel Lerner, and he was convicted for plotting to blow up the Temple Mount. At the time he described himself as belonging to both the terror group and the "Young Hasmonians."

## Shamir wants underground's fighting spirit

By MICHAEL YUDELMAN  
Jerusalem Post Reporter

TEL AVIV. — The peace which Israel has achieved on its southern, northern and eastern borders, although not yet formal on all these borders, will become formal if we continue in the spirit of the underground, Prime Minister Yitzhak Shamir said at a meeting of IZL members at the Mann Auditorium yesterday.

The meeting marked 40 years since IZL's declaration of rebellion against the British Mandate and the end of the Year of Heroism.

Former prime minister Menachem Begin, who was due to attend the assembly, did not attend. Shamir referred to Begin as the living link from the Betar movement, through the underground, via years of opposition to head of government.

Shamir said that people must revive the values and priorities of the fighting underground and should devote themselves to the underground's vision instead of chasing careers and lust for power.

Also present were Finance Minister Yigal Cohen-Orgad, Communications Minister Mordechai Zippori, Economics Minister Ya'acov Meridor, Minister without Portfolio Ariel Sharon and many other public figures.

## Hussein needs PLO support for Israel talks

WASHINGTON (Reuters). — King Hussein of Jordan yesterday said he needed support from the Palestine Liberation Organization and Arab governments before he could negotiate with Israel on a Middle East settlement.

Hussein, appearing on an ABC television programme, said the removal of Yasser Arafat as PLO chairman would not help the situation.

"I have to have PLO support, Arab support," Hussein said, adding: "I haven't seen any Israeli actions that would indicate Israel is willing to change its policies or approach."

He said Jordan "will continue to do business with the PLO, which represents the Palestinians and their hopes and aspirations."

Asked if he meant Arafat's supporters or anti-Arafat forces, Hussein said he would not support a PLO subservient to another country, an apparent reference to Syria.

AIR CRASH. — Eleven people were killed yesterday in a military helicopter crash near Abunama, about 360 kilometres south-east of Khartoum, the Sudan news agency reported.



U.S. Secretary of Energy Donald Hodel (second from right), meets yesterday with Prime Minister Yitzhak Shamir and Energy Minister Yitzhak Moda'i (far left). Hodel, here for a two-day visit at the invitation of Moda'i, will tour energy facilities in Ashdod and Arad today, before returning to the U.S. tomorrow.

## Photographers waited 60 days for Begin

Jerusalem Post Reporter

Former prime minister Menachem Begin spent the first day in his new home in Jerusalem's Yefeh Nof neighbourhood yesterday. His long-awaited move from the official prime minister's residence on Rehov Smolenskin came after the conclusion of the Sabbath.

The prime minister's residence was stalked out by professional photographers for the past two months, ever since the new government of premier Yitzhak Shamir won its vote of confidence in the Knesset.

Scoop-77 was persuaded by the afternoon paper *Yedioth Aharonot* to post a man by the residence 24 hours a day for the first two weeks of the Shamir government. This was later reduced to a 6 a.m. to 11 p.m. watch.

Eli Herszkowitz, who eventually took the exclusive pictures of Begin, first published in yesterday's *Yedioth Aharonot*, his partner Sasson Hiram and three free-lance photographers shared

the watch. It was better than guard duty in the army, Hiram told *The Jerusalem Post*. "We sat in our car, listened to music and talked to passers-by."

Some passers-by made bizarre suggestions on how to entice the former premier outside, from false fire alarms to smoke-bombs. The photographers struck up a good relationship with the policemen and security guards on duty, although some expressed their personal opinion that the stake-out was "an exaggeration."



These young Jerusalemites get their feet wet during yesterday's overdue rain in the capital.

## Ehrlich's widow denies Sharon allegation

The widow of late deputy-premier Simha Ehrlich has denied that any protocol exists of a meeting between Ehrlich and U.S. Ambassador Samuel Lewis. This was stated by *Yedioth Aharonot* columnist Mira Avrech on the late night television news *Koteret Laia*.

Avrech said she had spoken to Ehrlich's widow who stated she had never heard of a request by Lewis to oust Ariel Sharon from the Defence Ministry, as reported in a *Kol Yisrael* report last week. Sharon has demanded a commission of inquiry on the report.

Avrech said that she had also phoned Ambassador Lewis, who is currently in the U.S. and that he firmly denied ever having made such a suggestion to Ehrlich.

## IDF soldier buried

REHOVOT (Itim). — Turai Shlomo Alfasi, 19, who was killed near Sidon on Saturday night in a roadside explosion, was buried yesterday in the local military cemetery.

Mayor Yehzekel Harmelich delivered the eulogy before hundreds of Rehovot citizens. Alfasi volunteered for the paratroopers, where he served for a year before his death. He is survived by his parents and two sisters.

## U.S., Israel to discuss free trade next month

Post Economic Reporter

Official negotiations between the U.S. and Israel on the establishment of a free trade zone will open January 17 in Washington, the Industry and Trade Ministry announced yesterday.

The date was set after consultation over the weekend between Israeli and American officials. Initial discussions will be held between Industry and Trade Minister Gideon Patt and the U.S. presidential representative for foreign trade, William Brock.

## Levy to France, will meet Mitterrand

Deputy Prime Minister David Levy, who left yesterday for Europe, is scheduled to meet with French President Francois Mitterrand, Prime Minister Pierre Mauroy and Paris Mayor Jacques Chirac. At the airport, Levy said he would be discussing France-Israel ties with Mitterrand. Before going to France, Levy is to address an international Jewish meeting in Geneva, dealing with Project Renewal. (Itim)

## Uzan leaves for Paris

Minister of Labour and Social Affairs Aharon Uzan left for Paris yesterday, to meet with groups planning immigration. "I do not want Israel's housing problems to discourage potential immigrants from coming to live here," Uzan said at Ben-Gurion Airport just before his departure. (Itim)

CHINESE. — A Jerusalem high school pupil, Nimrod Bernovich, has translated a number of Chinese stories into Hebrew as part of his matriculation. This is the first time an Israeli pupil has done such a translation in matriculation.

## Tempers cooled at Beersheba city hall

By LIORA MORIEL  
Jerusalem Post Reporter

BEERSHEBA. — The first meeting of the newly elected 21-member municipal council yesterday evening was correct and cordial, in contrast to the bitter election contest between Mayor Eliahu Navi (Independent) and MK Uri Sabag (Alignment) in the mayoral runoff five weeks ago.

Three deputy mayors were elected: Moshe Silberman, who holds the education portfolio in the municipality; Ehud Avivi, a nuclear scientist who will take a leave of absence from the Nuclear Research Centre as of January 1, and Rafael Shitrit, formerly the local head of Project Renewal.

Aviv is to head the newly established planning and engineering department. Shitrit will be in charge of social affairs, as well as Project Renewal.

Jacky Azran, Mapam's lone representative on the council, declared that he is leaving the coalition because, he said, Navi had reneged on verbal promises made to Mapam. Azran believed that he would be given an authoritative position in the municipality, but Navi said the one-man list cannot be given such powers.

In the November 8 runoff for mayor, Sabag was backed by a coalition of Likud, local lists and others in a "stop Navi" platform.

## U.S. monument to Righteous Gentiles

TALLEYVILLE, Delaware (AP). — The efforts of a woman who was hidden in a Polish sewer to escape the Nazi death camps have resulted in what is believed to be the first formal monument in the U.S. honouring Christians who aided Jews during World War II. The monument and adjoining grove of memorial trees at the Jewish Community Centre were dedicated yesterday, completing a project started by Halina Wind Preston, who died in January.

As a young woman in Lvov, Poland, she was saved from Nazi persecution by two Christian sewer workers.

The men, Leopold Socha and Stefan Wroblewski, hid several hundred Jews in sewers, feeding and clothing them and moving them around to avoid detection by Nazi authorities.

Among the trees planted in the garden are those dedicated to the two men, King Christian of Denmark, the Danish church and the Danish people who saved thousands of Jews during the Nazi occupation. A tree is also dedicated to Raul Wallenberg, a Swedish diplomat who saved several hundred thousand of Jews from Nazi concentration camps in Hungary by forging passports for them.

## ISRAEL-ARAFAT

(Continued from Page One)

evacuation of Arafat and his loyalists to Tunisia and North Yemen.

Wazzan, in his capacity as Interior Minister, agreed to send Lebanese security forces to Tripoli, 80 kilometres north of Beirut, to serve as buffer between Arafat's loyalists and Syrian-backed rebels as the evacuation gets under way.

Meanwhile, Greece has demanded guarantees from U.S., French, Italian and British troops serving in Lebanon's 5,800-man Multi-National Force for the safety of four Greek ships expected to evacuate Arafat and his loyalists from Tripoli.

Israeli gunboats and helicopter gunships attacked a coastal PLO

base in Tripoli Friday, and the PLO charged the Israelis were blocking Arafat's only evacuation route. Syrian troops or Syrian-backed Palestinians control the land routes out of the city.

### 2,000 Judea workers found lacking permits

A roadblock in Bethlehem set up on November 30 to check workers coming into Jerusalem from Judea found that about 2,000 of them lacked necessary work permits. The roadblock stopped 295 vehicles carrying 7,780 workers.

According to estimates, about 12,000 workers from the territories work in Jerusalem. (Itim)







# Sports:

MIYAZAKI, Japan (Reuter). - Prime Minister Yasuhiro Nakasone said yesterday Japan would not allow a goodwill visit by the British aircraft carrier Invincible in February if it is carrying nuclear weapons.

Deadline for submitting bids is 12 noon on January 4, 1984.  
Bids not in the tenders postbox by the above time for any reason whatsoever, will not be considered.  
The Israel Lands Administration does not undertake to accept the highest or any bid.  
This notice is a nullification of last Monday's notice concerning these plots.

## هكذا جاء الأمل



# Third World Debts Mean Fewer Jobs For Peoria

By CLYDE H. FARNSWORTH

WASHINGTON — In determining when the third world debt crisis began, historians may pick Thursday, Aug. 12, 1982 — the day Mexican Finance Minister Jesus Silva Herzog told the Treasury Department in Washington that his country would be completely broke in four days. By the following weekend, Deputy Treasury Secretary R. T. McNamar was organizing a \$10 billion rescue operation to head off collapse of Mexico's economy and the global banking system.

Suddenly came the recognition of a crisis that extended beyond Mexico's \$85 billion foreign debt to the more than \$850 billion owed by the third world. In the retraction that followed, the poor countries were obliged to accept stringent economic constraints that in turn produced unpleasant side effects — notably lost jobs — in the richer countries. Caterpillar Tractor Co. of Peoria, Ill., for example, has laid off more than 20,000 of its American employees since 1981 as orders from Mexico, Bolivia and other foreign customers were cut back.

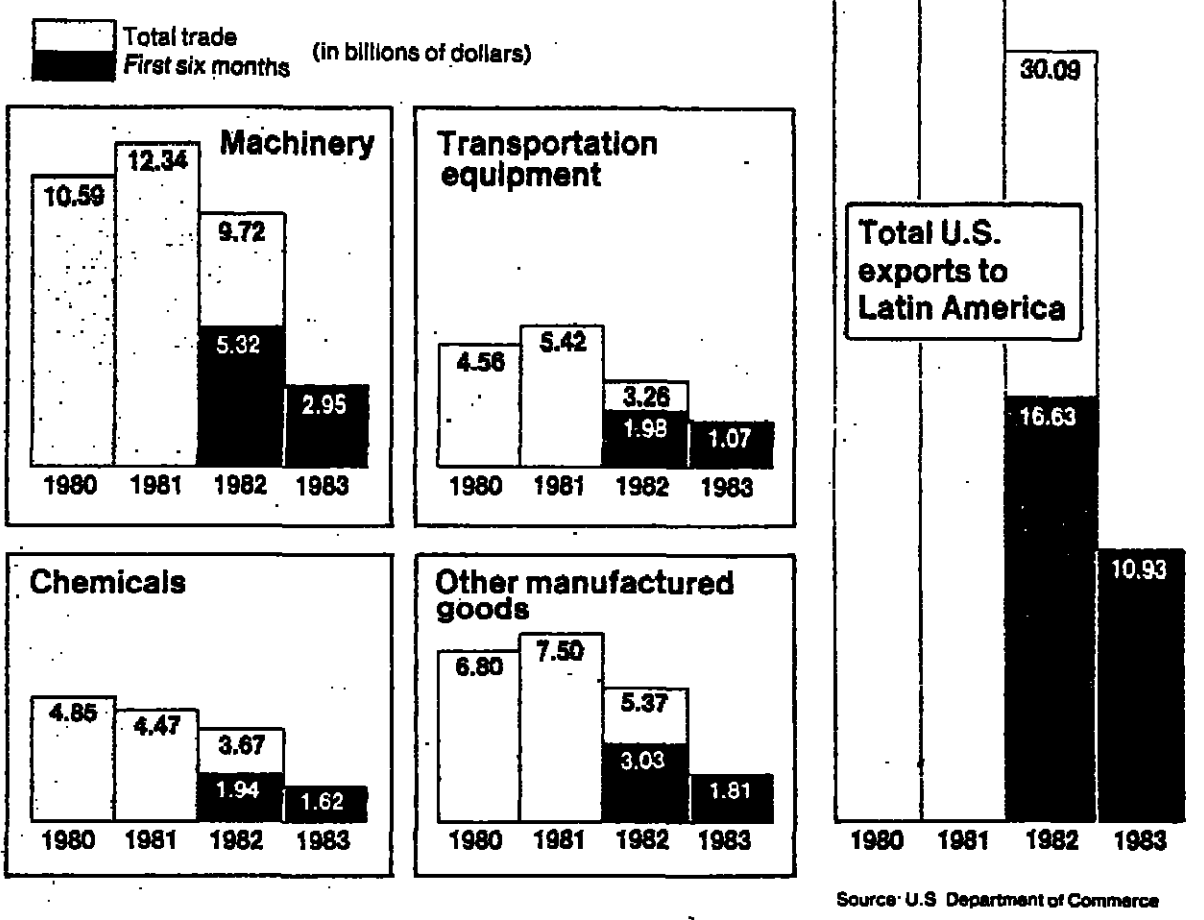
In the last 16 months, 42 cash-strapped countries have gone hat-in-hand to the global crisis manager, the 146-nation International Monetary Fund, to borrow a little more and negotiate austerity programs to help pay their bills. These programs of reduced subsidies for food and transportation, restraints on the money supply and related measures have led to severe contraction of third world imports. Sales last year to developing countries that do not have oil were down \$24 billion from the year before for the United States and the 23 other industrial countries of the Organization for Economic Cooperation and Development.

United States exports have been hit hard, noted David C. Lund, senior international economist for the Commerce Department, because the debt crisis has been most acute in a principal United States market, Latin America. Mexico, Brazil and Argentina, which together owe more than a third of the developing countries' total debt, have made draconian cuts in imports. Western Europe has strong ties with former colonies in Africa and Japan is the leading supplier for Asia, regions that have gotten off lightly compared to Latin America. This country's exports to Mexico, its third biggest customer after Canada and Japan, fell by a third to \$11.8 billion in 1982, from \$17.8 billion the year before. Exports to Latin America as a whole dropped by nearly one-fourth.

The cost in jobs was heavy, according to Sanjay Dhar, an economist with the Federal Reserve Bank of New York. Declining exports to Latin America, he said, accounted for the loss of nearly 250,000 jobs in the United States in 1982. He estimated that 150,000 more jobs will be

## Falling sales to Latin America

Each \$1 billion in exports sustains approximately 25,200 American jobs, according to the Commerce Department. By that yardstick, the drop in exports to Latin America cost about 225,000 jobs from 1981 to 1982.



lost in 1983, a total of 400,000 for the two years. The Commerce Department estimates that 25,200 jobs are generated by each \$1 billion of American exports.

### 'The Only Game in Town'

Exports today represent about 10 percent of the total output of goods and services, about twice their share in the 1950's. About 20 percent of American manufactures and half of American crops are sold abroad; 40 percent of American exports normally are sold to the third world.

With so many debtor countries tightening belts, many analysts say the principal growth market for exporters has become orders tied to the \$26 billion of loans to the third world made each year by the World Bank and other regional lenders such as the Inter-American Development Bank. Much of this money comes right back to the industrial countries in orders for equipment for the development projects. The linkage was dramatically clear last week when China issued a procurement order that excluded American companies from bidding on a \$60 million package of chemical fertilizer, heavy trucks, sawmill machinery and other products for a rubber development project. The Americans were barred because Washington did not contribute last year to a \$2 billion emergency fund for the International Development

Association, a World Bank affiliate. Unwilling to give Americans a free ride, the countries that contributed stipulated that only they would be allowed to bid. Last week, President Reagan decided to limit future contributions to the development association to \$750 million a year; the State Department had recommended \$900 million to \$950 million.

Nicholas H. Ludlow, managing director of International Trade and Marketing Associates, which monitors development projects contracts, noted that for export industries "development bank projects are the only game in town."

But other experts said the worst of the decline may have already been seen. As a result of drastically cutting back imports while boosting exports, Brazil, Mexico and Argentina have improved their trade balances by a total of about \$20 billion since 1981.

"They are earning the money to begin their economic recovery and boost purchases from us," says William R. Cline, a senior fellow at the Institute of International Economics. "I think it's a turnaround situation in which there will be a parallel boost in imports and exports, as part of a general increase in world trade." Given the growing dimensions of interdependence, that should spell more jobs in the United States.

## Harmony in Brussels

# Can Allied Unity Last Beyond Next Soviet Move?

By JOHN VINOCUR

BRUSSELS — Unusual sounds of harmony are coming these days from this permanent Atlantic alliance sounding board where American and European dissonance often prevails. The question is how long the situation will last.

If the meetings here last week of NATO's Defense Ministers and Foreign Ministers produced a collective tone, it was the sound of everyone exhaling. The Pershing 2 and cruise missiles have started to go in on schedule and, despite the public protests and the Soviet threats, the governments involved and their countries' social fabric remain very much intact.

With the shelving of recent disputes over gas pipelines and trade policy toward the Soviet Union, the sense of in-house irritation here has palpably diminished. The European allies have noted the continuing economic recovery in the United States and the Administration's continuing commitment to strong defense spending. While President Reagan's rhetoric and policies make the Europeans nervous, the United States, for the moment anyway, does not seem like such a cumbersome friend — especially after last week's failure of the European Common Market summit meeting in Athens.

Perhaps from weariness, perhaps because it feels the situation is beyond remedy for the time being, the United States has also chosen to stop twitting the Europeans on defense. The communiqués from the ministerial meetings have dropped the references of the past five years to the NATO members' pledge to achieve 3 percent real growth each year in defense spending. The Americans seem to understand that the Europeans cannot achieve it; for the Pentagon, this situation has the advantage at least of pointing out to the allies who is really investing to protect Western Europe.

But the missile deployment schedule stretches out over five years, and once the Governments' relief over actually getting it started wears off, the old European-American discord may be apparent again. For the moment, the Soviet Union seems to have done Alliance unity a service by demanding, as a precondition for resuming discussion of middle-range weapons, that the missiles be removed, a stance that would achieve all the Soviet goals in advance of "negotiating."

### Rifts Due to Reappear

This Soviet position, which has been accompanied by a refusal to set a date for resumption of parallel talks on strategic arms, seems far too unsuitable to last long, in the view of defense officials here. In any case, it is not expected to last beyond the European conference on confidence-building and disarmament that will start in Stockholm in mid-January with the probable participation of Secretary of State George P. Shultz and Soviet Foreign Minister Andrei A. Gromyko. If West German suppositions are correct, then there probably will be a new version of the previous Soviet propositions on intermediate-range nuclear forces. With it, a new round of tugging and nudging can be expected between those allies that find "positive elements" in a Soviet offer and those that consider it simply repackaged merchandise.

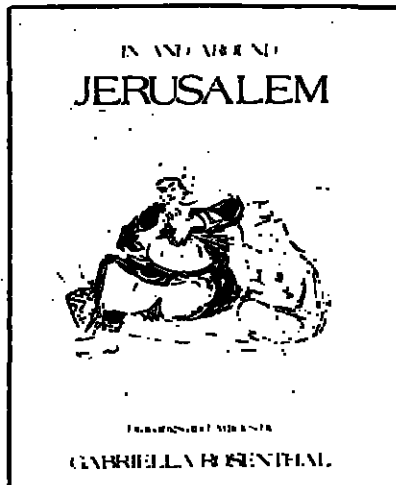
Quietly, some American officials have been asking Europeans how long they felt the United States had before it would come under European pressure for a concession that would reopen the medium-range missile talks that the Soviets broke off. The answer, according to one of them, was, not too long.

The West Germans, while not talking about a new American offer on middle range weapons, are interested in keeping the alliance looking as forthcoming as possible, and are suggesting that, provided Moscow does not walk out of them too, there is room for a Western initiative at the East-West talks in Vienna on reducing NATO and Warsaw Pact troop strengths in Central Europe. The West German interest is all the stronger because the debate at home has gone beyond missile deployment to the future of West German involvement in NATO.

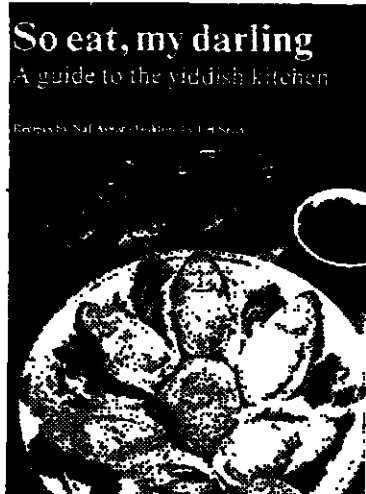
The issue, which has a strong echo in the British Labor Party, relates to the European-American relationship in the alliance, and carries the potential for deep division. Members of the West German Social Democratic Party not only question nuclear deterrence; they also insist that proposals to lessen NATO's reliance on nuclear weapons by improving its conventional capabilities are actually offensive strategies that represent a perversion of the alliance's defensive character.

But with the political debacle of the Common Market summit very much in the minds of the American leaders who talked defense policy with the Americans in Brussels, the tone at the Atlantic Council was clearly different for a change. Joseph M. A. H. Luns, the retiring NATO Secretary General, — he will be succeeded by Lord Carrington, the former British Foreign Secretary — seemed to catch the official mood well. "I've never heard any European government say it could increase its defense effort by such a magnitude that it could think of doing without the Americans," he commented.

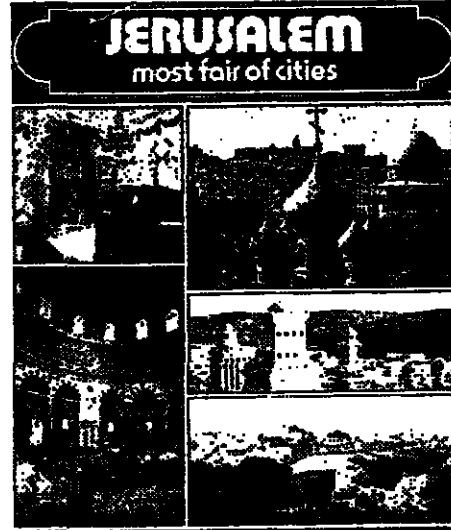
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Defense Secretary Caspar W. Weinberger addressing defense ministers of NATO countries in Brussels last week.



Shock  
WavesAmerican Air Strike Changes  
The Game in the Middle East

By THOMAS L. FRIEDMAN

THE Middle East received another reminder last week that events in this region are determined not by genteel rounds of diplomatic discourse or reconciliation conferences but by coarse and violent actions on the ground. Earlier calculations had to be changed after the American air strike against Syrian anti-aircraft batteries in central Lebanon, which had a much wider impact in the region than many people in Washington seemed to realize. And the bomb placed in a city bus in Jerusalem, followed by Israeli navy shelling near Tripoli, upset Yasir Arafat's plans for a carefully stage-managed exit by sea.

The loss of two American aircraft at the hands of the Syrians has unnerved the Lebanese as much as any event since the Americans arrived in August 1982. From the beginning, the Lebanese looked to the Marines to defend them from various foreign occupiers and to help persuade the many Lebanese factions to sit down and talk. The fact that the Syrians—who lost almost 80 planes to the Israelis on one June day in 1982—could shoot down two American fighters has shattered popular confidence in the Americans as "saviors." These hopes were always overblown but they provided the sustenance that kept many people hanging on. The day after the air strike, Lebanese began converting their pounds into foreign currency as never before. Almost every day last week, the Lebanese pound lost value and reached a new record low.

But the shock waves did not stop at the money-changers' windows. They also bolstered Syria's standing in the Arab world, helping to ease the isolation that had developed around Damascus as the Syrians supported the rebellion against Mr. Arafat. And they greatly embarrassed Washington's Arab friends.

The two American planes, a single-seat A-7E Corsair, and a two-seat A-6E Intruder, were shot down last Sunday. One Navy flier was killed and another was captured; a third man was rescued, but his plane crashed into a house, injuring eight people. The raid, in which 28 Navy planes took part, was a retaliation for Syrian ground fire aimed at F-14 Tomcats on routine reconnaissance flights over central Lebanon. The losses touched off debate in Washington over whether the targets should not have been shelled from offshore by the battleship New Jersey and whether the fliers and their planes had performed properly.

## Syrian Line Softens

The embarrassment among friendly Arabs was compounded because the air raid closely followed the announcement of a new strategic alliance between Jerusalem and Washington. In the eyes of many Arab leaders, this was a tilt toward Israel that would undercut any mediation role for the United States. Whatever hope remained of reviving President Reagan's proposals for a Palestinian peace settlement seemed to have evaporated. In Cairo, the Government-controlled daily, Al-Ahram, said Mr. Reagan was "pushing the Arabs into the arms of the Soviets." Other Egyptian newspapers called him a "warmonger." Kuwait assailed the American attack as "flagrant aggression." Saudi Arabia said it was "deeply concerned." Privately, none of these states may have minded seeing the Americans try to deplete the Syrians. Publicly, they had little choice but to stand with Damascus.

The ultimate effect this might have on Syria and Syrian-Lebanese relations was not clear. After first announcing they would treat the captured American pilot as a prisoner of war, the Syrians began to soften their line

and went out of their way to say that the American special Middle East envoy, Donald H. Rumsfeld, would be welcome in Damascus. Some Western diplomats thought this might mean that the air raid, while an embarrassment for the Americans, may nonetheless have had a sobering effect on Syria. Others argued that American bombing and shelling cannot win against the Syrians. They do not appear to care about the loss of their men or equipment, none of the fighting is happening in their own country and the mere fact the Americans struck at them builds them up in Arab eyes. What frightens Syrian President Hafez el-Assad, these diplomats said, is internal subversion, which can make him look weak and unpopular but without a visible enemy to hit back at.

"To deal with the Syrians you have to think Syrian," an Asian ambassador said in Damascus. "Otherwise they won't respect you. The Syrians respect force. Why do you suppose they never play around with the Israelis on the Golan, while they play around with the Lebanese all the time? The Israelis know how to think Syrian and the Syrians know it."

Syria's real mood after the American attack will be tested in the next few weeks of negotiation with the Lebanese.

Lebanon rekindles Reagan's  
foreign policy troubles, page 2

nese. Lebanon's President Amin Gemayel has begun consulting factional leaders in hopes of forming a national unity government that would represent the real political forces. This requires a good deal of Syrian help; in the final analysis, the Syrians will instruct the Lebanese opposition leaders whether to join or boycott such a government and under what conditions.

Still another spillover from the air strike may, in the long run, prove to be even more critical. The incident has frightened and embarrassed some of America's allies in the multinational peacekeeping force, setting off debates in the British and Italian Parliaments as to whether and how long their military contingents should remain in Beirut. Politicians in both countries expressed fears that the force's peacekeeping function may be overshadowed by global American objectives. However, the French, British and Italian Foreign Ministers joined Secretary of State George P. Shultz at the NATO meeting in Brussels in a pledge to keep their units in Lebanon indefinitely.

The confusion over the force's objectives recalls events in 1976, when the Arab League set up the Arab Deterrent Peacekeeping Force to quell the Lebanese civil war. It was made up largely of Syrians, but with contingents from Saudi Arabia, Sudan, the United Arab Emirates and South Yemen. As it became clear that Damascus had its own agenda in Lebanon, the other Arabs pulled out, until only the Syrians remained.

The Americans are trying to avoid a similar fate. But almost every day, there seems to be a shooting incident involving the Marines and their Shiite Moslem or Druse neighbors. The Pentagon has decided to redeploy 300 of the 1,850 marines back to their warships, to reduce the targets for local snipers. Eventually, Washington will have to decide whether to keep any marines on land.

Under present circumstances, it is difficult for many Lebanese to see what useful function the Americans are serving, despite their good intentions. The Marines are dug in so deeply they are no longer a visible "presence" backing up the Lebanese Army. Because of fears for their own safety, they no longer go on patrol or give the people a sense of security. The airport, which the Marines were supposed to protect and keep open, has been closed by shelling for almost two weeks. Most Beirutis seem to avoid the Marines' areas these days because they have become associated with danger.



Syrian soldiers with wreckage of a U.S. fighter-bomber downed near Kfar Salwan, Lebanon, last week.

## Syria's estimated military resources

Army		
Manpower	200,000	250,000-270,000
Tanks	2,920	4,200
Personnel carriers	1,600	1,600
Artillery (guns, howitzers and short-range rocket launchers)	800	2,600
Long-range surface-to-surface missiles	51	33
Antitank guided weapons	Undetermined number	1,300
Air Force		
Manpower	45,000	50,000
Aircraft:		
MIG-25's	25	24
MIG-23's	60	60
Older MIG's	260	5
SU-7 ground attack fighters	20	3
SU-20 ground attack fighters	30	40
Transports	11	25
Trainers	92	150
Air/ift helicopters	86	168
Combat helicopters	Unknown	34
Air Defense		
Manpower	15,000	40,000
Surface-to-air missile batteries:		
-With SA-2 and SA-3 missiles	60	54
-With SA-5 missiles	none	8
-With SA-6 missiles	25	24
-With SA-7 and SA-9 missiles	Undetermined number	Undetermined number
Navy		
Manpower	2,500	2,500
Ships:		
Frigates	2	2
Missile-equipped attack craft	18	18
Torpedo-equipped attack craft	8	8
Minesweepers	3	3
Patrol craft	1	4
Forces in Lebanon		
Troops	35,000	37,000
Soviet Advisers		
Sources: International Institute for Strategic Studies; Intelligence sources	3,000	7,000

Associated Press

## Major News

## In Summary

Missile Talks:  
Soviet Drops Half  
The Other Shoe

The United States and the Soviet Union won't be talking to each other in Geneva for a while. Two weeks after breaking off negotiations on medium-range missiles in Europe, Moscow stepped up its pressure on Western opinion by refusing to set a date for the resumption of parallel talks on strategic arms reductions after a scheduled two-month recess.

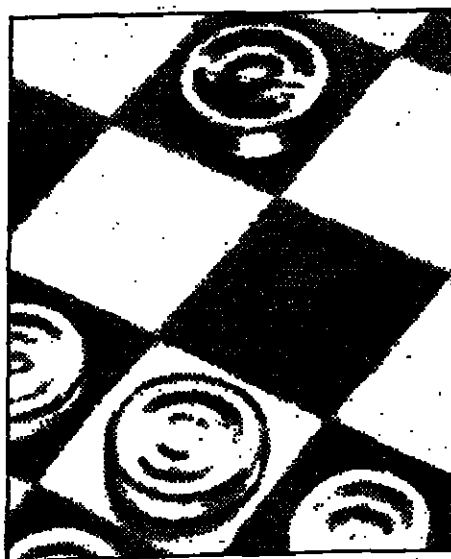
Last week's Soviet move was couched in less peremptory terms than Moscow used in ending the European missile negotiations; Washington said, in fact, it did not sound like a walkout. The Russians said NATO's deploying the first of 572 Pershing 2 and cruise missiles, the reason they gave for discontinuing the European theater talks, had also changed the "global strategic situation" and made it "necessary for the Soviet side to review all problems which are under discussion at the Start negotiations."

"They're pretty careful of their choice of words," President Reagan noted. Continuing the optimistic attitude he assumed after the breakdown of the medium-range missile talks, the President said he was "very hopeful" strategic talks would resume after the recess. He expressed willingness for Secretary of State George P. Shultz to meet Soviet

Foreign Minister Andrei A. Gromyko at a disarmament conference in Stockholm next month and said this could lead to a summit conference. American officials reported that a necessary ingredient for a summit—Soviet leader Yuri V. Andropov, absent from public view since August and believed ill, had been spotted entering and leaving the Kremlin in recent days. Mr. Shultz confirmed the party chief was "back at work." But it was left to the country's military chief, Marshal Nikolai V. Ogarkov, to signal an end

to the strategic talks. He said early in the week that the United States had been seeking superiority in medium-range missiles and was moving the strategic talks "in the same direction."

The further increase in tension over arms control came after a display of solidarity in the North Atlantic alliance. NATO Defense and Foreign Ministers upheld the missile deployment and urged the Russians to return to the negotiating table. They also dismissed proposals to combine the medium-range and strategic talks as "not a very good idea." More broadly, the Foreign Ministers sought to convey the idea that NATO was not seeking confrontation. They offered the Soviet bloc "a long-term constructive and realistic relationship based on equilibrium, moderation and reciprocity." (Allied harmony could be short-lived, page 3.)

Affirmative  
action:  
a debate

4

Common Market  
Hits an Impasse

Western Europe's dreams of economic togetherness grew noticeably dimmer last week. In three days of stormy meetings in Athens, leaders of the European Economic Community's 10 member countries couldn't reconcile their corrosive differences or even pretend they had.

"Nothing has been settled at this summit, nothing," said Britain's Prime Minister Margaret Thatcher. "I am not prepared to stagger on from compromise to compromise." The results were "a bitter setback," West German Chancellor Helmut Kohl agreed.

Mrs. Thatcher and French President François Mitterrand—described by a French spokesman as "the iron lady and the man of marble"—clashed over her demands for cuts in farm subsidies and a \$1 billion reduction in Britain's payments to the Community budget. The cost of the subsidies, which benefit the relatively inefficient farmers on the Continent, rose 30 percent this year, resulting in further growth of surpluses that include a million tons of powdered milk and 900,000 tons of butter. Support funds may run out in a few months, a prospect that left Mrs. Thatcher unperturbed. "You've got to let the cash run out," she said, "to make people understand the need for fundamental change."

Mr. Mitterrand proposed new restrictions on cattle feed and soybean imports, which would have shifted part of the problem elsewhere: Those are multibillion-dollar earners for the United States. Britain said no.

As the surpluses grow, the European commodities are sold on world markets at subsidized prices that

Washington has long attacked as unfair to its competing farm exporters.

The deadlock left Spain and Portugal still on the Community doorstep. The two countries were unable to obtain agreement on a timetable for completing negotiations on their applications for membership, held up by the reluctance of French and Italian growers to admit competitors.

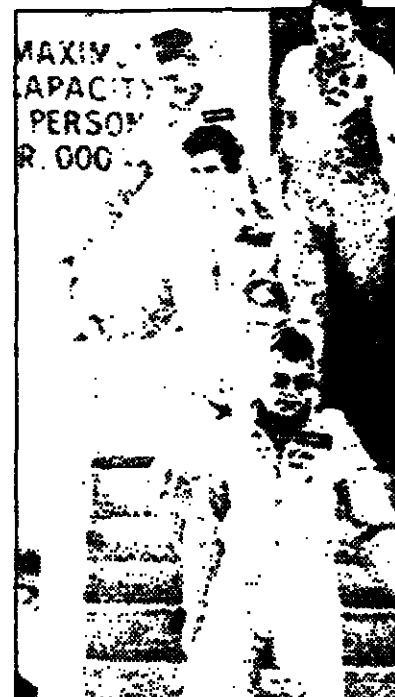
Tense Ending to  
A Space Story

The space shuttle Columbia and its international cargo of scientific gold came home last week—a little late, but worth the wait. It will probably take a long time for scientists to digest all the experiments performed in the piggy-backing Spacelab, and for astronauts to forget the gut-wrenching jolt that triggered the landing delay.

About five and a half hours before the originally scheduled landing time at Edwards Air Force Base, Calif., a sudden burst of the shuttle's nose thrusters rocked the ship with a force estimated by commander John W. Young to be 20 times the normal pull of gravity. "It was probably as high a magnitude type thing as we have seen," he reported.

At the same moment, Columbia's guidance computer went dead. It was one of five computers that control the craft's labyrinthine systems. Minutes later, another one shut down. Flight controllers got it going again, but were so mystified by the unlikely sequence of failures that they postponed the return to Earth for eight hours. A human pilot cannot fly the ship down.

Finally, placing all hope in the computers' ability to back each other up, flight engineers okayed the landing. Not knowing whether the



Columbia crew members at the end of the mission last week.

computers were working, they endured 45 minutes of radio silence before Columbia appeared over the West Coast. The equipment failures were under investigation.

At least one scientific experiment performed during the 10-day flight could rival the impact of the thruster accident. A test of the inner ear's role in causing dizziness apparently disproved a theory that won Robert Barany of Sweden a Nobel Prize in medicine and physiology in 1914. "We're back to the drawing board on this," said Dr. Rudolf von Baumgarten, a West German physiologist who was the experiment's principal investigator.



# The World

## A Fresh Start On Argentina's Many Problems

Democracy resumed in Argentina last week under difficult circumstances. Raúl Alfonsín, the first civilian President to be inaugurated since 1974, took office yesterday in what he called "deplorable and, in some cases, catastrophic conditions." In addition to a foreign debt crisis and 800 percent inflation, he faced the prospect of continuing conflict with the now humbled military, and further upheavals in the opposition Peronist party.

The military junta dissolved itself a month ahead of schedule, apparently eager to shed responsibility for tough times ahead. The military had already tried to escape blame for the past by decreeing an amnesty — rejected by the new President — for those of its members who had a role in the death and disappearance of thousands of Argentines during a crackdown against leftist dissidents in the 1970's. The State Department gave a boost to the new Government by declaring that Argentina had made "significant progress" on human rights and therefore qualified for renewed military assistance. Mr. Alfonsín, who promised in his inaugural address to "establish democracy once and for all in Argentina," expressed appreciation for the gesture. But it did not sit well with Britain, which is still at odds with Argentina over the Falkland Islands. Anxious to avoid further rifts with London, Secretary of State George P. Shultz promised to consult the British before American arms were shipped to Argentina.

The armed services had ruled together since 1976, when they overthrew Isabel Martínez de Perón, widow and successor of the dictator Juan Perón. From her exile in Spain, Mrs. Perón attended Mr. Alfonsín's inauguration in her first visit to Argentina since 1981. She is titular head of the party her husband founded 40 years ago, and she caused some tremors by indicating she might end her exile in January and try to assume effective leadership again. Italo Luder, the unsuccessful Peronist candidate for the presidency last month, has been shunting aside people still loyal to her and trying to move the party toward more democratic procedures, but he bears the onus for the party's first electoral defeat.

### Victor in Venezuela

Venezuela got rid of military rule in 1958. One of the men who helped end the dictatorship of Gen. Marcos Pérez Jiménez was Jaime Lusinchi, a pediatrician who turned to politics

gravated the debt problem, and the military will give Mr. Lusinchi much less to worry about.

## Nicaragua Plays New Overtures

Nicaragua last week offered further measures to suggest it might be moving toward pluralism, but opposition spokesmen dismissed the moves as superficial.

The Government said nearly all Nicaraguans who had left since the 1979 Sandinista victory could now return freely. Officers of the former regime's National Guard and security forces and leaders of the rebels based in Honduras and Costa Rica need not apply, a spokesman said, but ordinary rebel soldiers would be welcomed. The Government also promised to announce in February the date and rules for elections to be held in 1985. Defense Minister Humberto Ortega Saavedra added in an interview with The New York Times that the Sandinistas felt obligated "to find a common ground" with the opposition. He also said Nicaragua wanted to reach "an understanding for coexistence" with Washington.

Critics found the announcements — the latest in a series of conciliatory gestures since the Oct. 25 American invasion of Grenada — cosmetic. "So far there is no real dialogue," said William Báez Sacasa, a business leader. "They are only talking about talking." Political leaders called for international monitors at the elections "to be sure the Sandinistas keep their word," as one put it. Speaking for the Roman Catholic bishops, the Rev. Bismarck Carballo said there had been "no progress" on their demands for "freedom of expression for all media outlets," recognition of the church hierarchy "as the legitimate voice of the faithful" and draft exemption for conscientious objectors.

An official of the independent human rights commission said that while 307 Miskito Indians were released last month, there were "at least 1,500 prisoners in Nicaragua who have never seen a judge." The editor of the independent newspaper *La Prensa*, Pedro Joaquín Chamorro, said daily censorship was still in force. "The Government is going in the right direction," he added, "but it is still not enough."

Secretary of State George P. Shultz said he was waiting for "reality to put behind the rhetoric." But the new sounds from Managua were "vastly different" from Sandinista statements of six months ago, he added. "I welcome that."

## Toward Closer Ties to Vatican

The United States has cooperated with the Vatican for years on world political and humanitarian questions, but relations have been limited by law and the objections of many Protestants. Indeed, many Catholic bishops have opposed formal relations as being a divisive issue for American society. The argument is that such relations would violate First Amendment principles of separation of church and state. Given all that, the Reagan Administration last week was moving cautiously toward closer ties, but not too close.

Officials said Mr. Reagan's personal representative to the Vatican, William A. Wilson, was discussing strengthening relations in Rome. But Larry Speakes, the White House spokesman, said there were no plans to designate a United States ambassador to join the 106 diplomatic missions accredited to the Holy See.

In September, Congress quietly repealed an 1867 law forbidding the use of Federal funds for a Vatican diplomatic mission. The sponsor, Senator Richard G. Lugar, an Indiana Republican and Methodist, argued that the Vatican should be recognized as a sovereign state and that the Pope is "a powerful force for democracy in the world."

Disclosure of the talks in Rome brought criticism from religious and civil liberties groups that have often been at odds — among others, the National Council of Churches, the National Association of Evangelicals, the Seventh Day Adventists, the Baptist Joint Committee on Social Affairs and the Americans United for the Separation of Church and State. Conservative evangelicals who supported Mr. Reagan in 1980, notably the Rev. Jerry Falwell, head of the Moral Majority, also denounced the idea.

Part-time personal envoys representing Presidents Franklin Roosevelt, Nixon, Ford, Carter and Reagan lived out of suitcases in Rome hotel suites and were assisted by an aide or two based in the embassy accredited to Italy. President Truman, after an outburst of criticism, decided not to send Gen. Matthew Clark as ambassador to the Vatican. Presidents Eisenhower, Kennedy and Johnson did not send envoys.

Milt Freudenberg  
Henry Ginzger and  
Carlyle C. Douglas

## Unease With Reagan Grows in Washington and Elsewhere

# Lebanon Rekindles U.S. Foreign Policy Troubles



Marine Capt. Monte Hoover greeting his daughters at Camp Lejeune in North Carolina last week after returning from a seven-month tour in Beirut, Lebanon.

By HEDRICK SMITH

WASHINGTON — On the surface, much of political Washington reacted numbly at first to the latest spasm of violence in Lebanon. Perhaps the loss of eight more Marines, the first combat death of a Navy flier and Syria's capture of a second flier could not match the horror of the bombing of the Marine compound six weeks ago, but last week marked a new watershed, robbing President Reagan of the foreign policy momentum he had gained after the invasion of Grenada. He was again on the defensive, braced for trouble when Congress returns in January.

Grenada had been a distraction, providing a brief sense of triumph and giving the President a boost in the polls. "The Grenada high is now over," asserted Senator Charles McC. Mathias, a moderate Maryland Republican. "We have to get back to the grim realities in the Middle East." Republican loyalists like Senate majority leader Howard H. Baker Jr. and Charles H. Percy, chairman of the Senate Foreign Relations Committee, gamely defended Mr. Reagan's retaliatory strikes against Syrian antiaircraft as "absolutely right" despite the loss of two planes. But

after campaigning in Illinois, Mr. Percy told colleagues he had been "beaten up" by angry public questioning about Lebanon.

For Democratic Presidential hopefuls, it was a chance to rekindle their critique of Reagan foreign policy. "Trigger-happy and reckless" said Senator Alan Cranston of California. "Mindless escalations like this will lead to a lot more than the President is bargaining for," warned Senator Ernest F. Hollings of South Carolina. "We have been down this road before in Vietnam." Senator Gary Hart of Colorado called for a special session of Congress to block emergence of an American "military role." Already, said the Rev. Jesse Jackson, the American presence is "not neutral enough to be a peacekeeping force."

The two Democratic front-runners were more careful. Perhaps considering Israel's security needs and the interest among some Jewish voters in keeping the United States engaged, neither former Vice President Walter F. Mondale nor Senator John Glenn of Ohio called for a Marine pull-out. The American forces have to react to "unprovoked attacks," Mr. Mondale said, but if he were President, he would give the Lebanese Government a timetable for taking primary responsibility for the Beirut airport, to let the American

Marines move to a less exposed position.

Senator Glenn called for "the utmost caution" in using American force to prevent "stumbling toward" war. It was left to the Arizona Republican Senator, Barry M. Goldwater, to vent the anxieties in Congress about "the increasing danger of our involvement in a major war in that area" and to state bluntly that "the time to withdraw our forces is now."

Privately, some members of Congress asked whether the aerial reconnaissance missions over Syrian-held areas were not provocative, inviting Syrian antiaircraft fire to set up American retaliation. House Speaker Thomas P. O'Neill Jr. was concerned, aides said, that after talks with Israeli Prime Minister Yitzhak Shamir and Lebanese President Amin Gemayel, the Administration might be moving to a more aggressive policy toward the Syrians and their allies in Lebanon, writing off hopes of political settlement among the warring Lebanese factions.

But in his weekly radio address yesterday, the President vowed to "redouble our diplomatic efforts" to achieve peace and said the Marines would leave "once internal stability is restored and withdrawal of all foreign forces is assured." He insisted the United States had acted "with great restraint" against Syria.

For the Administration, the latest flareup was a new lesson in the President's political vulnerability on Lebanon and how precarious is the support for his policy. Even before the latest fighting, a new Gallup poll showed international tensions and the threat of war cited as the country's top problem, ahead of economic issues.

### Military Quails

In the Administration, some top military officers were uneasy. Just over a year ago, Gen. John W. Vessey Jr., Chairman of the Joint Chiefs of Staff, said that "it's fair to say that the Joint Chiefs don't want to get embroiled in Lebanon." Senior officers feared that the Marines were unsuited to an essentially political mission of buttressing the Gemayel Government while American force is little help in settling Lebanese political schisms. With the White House and State Department in no mood to withdraw, the Joint Chiefs were hoping to reduce casualties by removing the Marines from exposed positions.

Administration policy-makers, banking on greater realism from Syria in the wake of American pledges to cooperate more closely with Israel, contend that American air attacks last weekend were successful "in getting Syrian attention." Said one official, "They've been very careful about what they've done ever since." One hope is that Syria may lean on its Lebanese allies to move toward compromise with Mr. Gemayel if talks on national reconciliation can be resumed.

But the Reagan entourage sensed Congressional patience wearing thin. When Congress returns, the Foreign Relations Committee is to consider a resolution by Senator Mathias calling for withdrawal of American forces from Lebanon by Feb. 25. "We should now prepare a rational and appropriate alternative to the multinational force," he said. The Administration hopes to stave off such pressures. "It's going to be a problem how much longer Congress will let the Marines stay," a high official conceded. "I'm not sure how it's going to come out."

## Opposition Boycott Leaves Seaga Almost Alone in Thursday's Election

# Jamaica Faces Virtual One-Party State

By BARBARA CROSSETTE

KINGSTON, Jamaica — Jamaica, which is struggling to overcome serious economic problems, now appears to be headed for a constitutional crisis as well.

Last month, Prime Minister Edward P.G. Seaga, buoyed by opinion polls showing substantial support for his participation in the invasion of Grenada, called a snap national election for Dec. 15, nearly two years before the end of his first five-year term. But the opposition People's National Party led by former Prime Minister Michael Manley decided to boycott the vote on the ground that necessary — and promised — electoral reforms had not taken place. (Mr. Seaga retorts that the opposition party is broke, in disarray and unable to fight.)

So when nominations closed on Nov. 29 for the 60 seats in Jamaica's House of Representatives, whose majority leader becomes Prime Minister, Mr. Seaga and his Jamaica Labor Party had already taken 54 "without ever going in the ring" in the Prime Minister's words. In six constituencies, independents are opposing the Labor Party but almost none stands a serious chance.

With election day still technically to come on Thursday, the question being asked is: In the end, will Mr. Seaga — President Reagan's closest ally in the Caribbean — have lost as much as he seems to have won?

### Democracy in Question

Jamaica, which has adhered to the parliamentary system it inherited from Britain at independence in 1962, is now faced with a de facto one-party state, and there is widespread distress and concern. "What is this, coming from the man who invaded Grenada to restore political liberties?" a critic of Mr. Seaga asked.

The issue dominates everything from professional gatherings to radio talk shows. The *Gleaner*, Jamaica's only morning newspaper, is full of constitutional debate in columns, letters and news stories. The country's Governor General, Sir Florizel Glasspole, has been quoted as calling this a moment of "political crisis." The Jamaican Council of Churches has asked the Prime Minister to undertake immediately voting reforms — updating electoral rolls to bring in up to 180,000 presently disenfranchised voters, including young people who have reached the voting age of 18 since the 1980 election, and introducing identity cards to prevent fraud — and then to call another election quickly.

Meanwhile lawyers and political scientists are searching the Constitution for ways to create a place for an opposition. Mr. Seaga is reported to be considering naming opposition politicians to the Senate, an appointive body, but there is no assurance they would accept.

Mr. Manley's party has decided to hold monthly public forums in a Kingston hotel to consider national issues, and to appoint representatives in local constituencies to keep in touch with local problems. He rejects suggestions that this sounds like a government in internal exile.

In the absence of candidates, the campaign has become a battle of documents. Mr. Manley brand-

ishes "solemn pledges" of electoral reform he says were made by the Government. Mr. Seaga takes to rallies what he describes as a "secret" report from a conference of the opposition party outlining its weaknesses. Both sides cite constitutional law and historical precedent.

Mr. Seaga argues that the parliamentary system allows him to call an election any time he chooses, and that it is the opposition that has provoked the crisis. He says that his course was necessary because the opposition had brought his integrity into question in reporting to the Jamaican people on the status of negotiations with the International Monetary Fund and in calling on him to resign as Finance Minister after a substantial devaluation of the Jamaican dollar. In addition to Finance, Mr. Seaga also holds the Defense and Cultural portfolios.

In an interview last week, Mr. Manley said he would be willing to fight another election "tomorrow" if reforms were carried out. His party would stand to gain most by the expansion of the electorate; it is popular among the young, many of whom continue to be unemployed despite Mr. Seaga's plethora of training programs.

Political scientists and politicians, looking at the present standoff, agree on two points. The P.N.P. and Mr. Manley — whose office is domi-

nated by a portrait of Fidel Castro and who is portrayed by Mr. Seaga as a dangerous Cuban Trojan Horse — clearly lost ground after the trouble in Grenada in October. But he is likely to gain from the present crisis and perhaps win the next election, which is expected to come within a year or two.

What concerns many Jamaicans is that prolonged political tension will interfere with the task of rebuilding an economy badly battered in the 1970's by the rising cost of petroleum products, the world recession and attempts by Mr. Manley's Government to "socialize" the economic system. They also fear a resumption of the kind of political violence that left more than 100 people dead in the 1980 campaign.

For the moment, however, Mr. Seaga is getting as much mileage as possible from the invasion of Grenada. Last week, at a rally in the small town of Stony Hill, one of the six contested constituencies, his organizers warmed up the already sympathetic crowd with an American-made video tape called "The Liberation of Grenada." When she saw the face of Bernard Coard, Grenada's Deputy Prime Minister, who reportedly initiated the coup that led to the death of the Grenadian leader, Maurice Bishop, a quiet woman in the audience suddenly shouted: "Dirty beast!"



Prime Minister Edward P. G. Seaga with supporters in Kingston, Jamaica.



Jaime Lusinchi (right) after election victory last week.

so successfully that last week he was elected President. Mr. Lusinchi will take office in February and confront economic problems almost as daunting as Argentina's.

A \$34 billion foreign debt — \$6 billion less than what Argentina owes — rising unemployment and almost no economic growth contributed to the defeat of the ruling Social Christian Party, whose candidate, Rafael Caldera, was President 10 years ago. Mr. Lusinchi's close ties to the labor movement and the disenchantment of the middle class with the Social Christians' heavy spending gave him what appeared to be a majority of the popular vote in a field of 12 candidates. Like Mr. Alfonsín, Mr. Lusinchi has promised emergency economic action, which is apt to be an austerity program. "It will be necessary to make sacrifices," he warned. Mr. Lusinchi has some advantages over his Argentine counterpart. Venezuela has considerable oil revenue, although falling prices have ag-

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# The Nation

## The Democrats Raise Funds And Hackles

Whatever the forum or the season, Democrats, it seems, can't help acting like, well, Democrats. In two days of fund-raising appearances in five cities last week, a six-pack of Democratic candidates turned as much of their rhetorical fire on each other as on the Republican they all want a shot at next Nov. 6.

South Carolina Senator Ernest F. Hollings, with the frankness of a man whose campaign isn't demonstrably going anywhere, predicted that former Vice President Mondale, if nominated, would surely be whipped by President Reagan. Mr. Mondale, in the manner of an apparent front-runner, didn't speak all that ill of his colleagues. But he got an unceremonious brushoff from Harold Washington, the Democratic Mayor of Chicago, who finds Mr. Mondale at least momentarily tainted by the backing of a bitter enemy, Alderman Edward Vrdolyak, Cook County Democratic chairman.

Colorado Senator Gary Hart, who has so far failed to parlay "issues" into any measurable movement in the standings, lamented that his opponents had wasted repeated opportunities to debate the differences among themselves and with the White House. The Rev. Jesse Jackson, the newest member of the field, complained as he went from podium to podium that the party's delegate-selection rules are racially discriminatory and unfair to long-shot candidates, such as Jesse Jackson. He also impressed his audiences with his distinctive style; he declared that he wasn't a mere office-seeker, but "a prophet on a political mission."

Yesterday his mission found him in Alabama, where he counted on his oratory and grass-roots enthusiasm to overcome Mr. Mondale's long-standing alliance with the leaders of the main organization of black voters there. One much-discussed possibility was a joint endorsement. That would leave the question of how much Mr. Jackson really threatens Mr. Mondale among blacks in abeyance until the primaries.

### G.O.P. Campaign Licks

President Reagan took Air Force One out for a campaign-style spin, lighting in Indianapolis and returning for the first time in months to the theme of no-nonsense fundamentals in the classroom.

Addressing the National Forum on Excellence in Education, Mr. Reagan didn't hold out much hope of additional financial help from Washington. "American schools don't need vast new sums of money as much as they need a few fundamental reforms," he said. Further, the President said he had instructed the Department of Justice and Education to "find ways we can help teachers and administrators enforce discipline." They presumably won't cost much. Department of Education officials disclosed that their stepped-up spending recommendations hadn't gotten passing marks; the White House's proposal for education dollars in 1985 is all but certain to be under this year's level, \$15.2 billion.

Meanwhile, back at the White House, communications director David R. Gergen turned in his papers and accepted a resident fellowship at Harvard University's Institute of Politics. Mr. Gergen, who has held senior posts in the last three Republican Administrations, was said by associates to have grown increasingly unhappy with a number of White House policies, including restrictions imposed on the press during the Grenada invasion and threats to subject staff members to polygraph testing.

## Purloined Papers Inquiry Narrows

William J. Casey, who oversaw Ronald Reagan's Presidential campaign, has said he has no recollection of receiving any purloined Carter briefing papers. Paul Corbin, in 1980 a campaign aide of Mr. Casey's, has said repeatedly that he knows nothing about how the Reagan high command obtained the material either.

Nevertheless, last week Representative Donald J. Albosta, the Michigan Democrat who heads a subcommittee looking into the removal of the documents (subsequently used to help prepare candidate Reagan for a debate with President Carter), told The New York Times that the inquiry was increasingly concentrating on Mr. Casey, who is now the Director of Central Intelligence, and Mr. Corbin, now a political consultant. Reviewing leads developed in his panel's investigation, Mr. Albosta said that Mr. Corbin had been identified "by several people as the one who delivered the material to Casey."

Mr. Albosta's subcommittee, which plans to begin public hearings soon after Congress reconvenes late next month, is attempting to determine whether the theft involved pos-



C.I.A. Director William J. Casey

sible compromises of classified information—and, some Republicans contend, kick off the campaign year with a few partisan points. Mr. Albosta, who disclosed that the Federal Bureau of Investigation had agreed to share details of its inquiry, said the identity of the mole on the Carter campaign staff is still a mystery.

## William Baxter, The Man Who...

William F. Baxter, Assistant Attorney General in charge of the Justice Department's antitrust division for the past three years, has rarely swerved from the view that where business is concerned big doesn't necessarily mean bad.

Last week, a day before the announcement that he would step down in mid-December to return to teaching at the Stanford law school, Mr. Baxter put a cap on a six-year-old investigation of international oil companies, saying that an oil giant had made the inquiry beside the point and that the companies could no longer run up petroleum prices at will. In January 1982, he ended the Government's 12-year-old suit against the International Business Machines Corporation, asserting that I.B.M. was no longer to be feared by its byte-sized competitors.

But it seemed certain that Mr. Baxter would be recalled as much as anything for the breakup of the biggest of the big—the American Telephone and Telegraph Company. He took office with a promise to litigate a long-pending A.T. & T. suit "to the eyeballs," and did just that, sharp criticism from some members of the Reagan Cabinet notwithstanding. Attorney General William French Smith said Mr. Baxter had written "a brilliant chapter in antitrust history." Senator Howard M. Metzenbaum, Democrat of Ohio, called Mr. Baxter's imminent departure "an early Christmas present for those of us who believe strongly in the enforcement of our antitrust laws." J. Paul McGrath, Assistant Attorney General in charge of the civil division and a former Wall Street antitrust lawyer, will replace Mr. Baxter, Mr. Smith said.

## Unwelcome Economic Advice

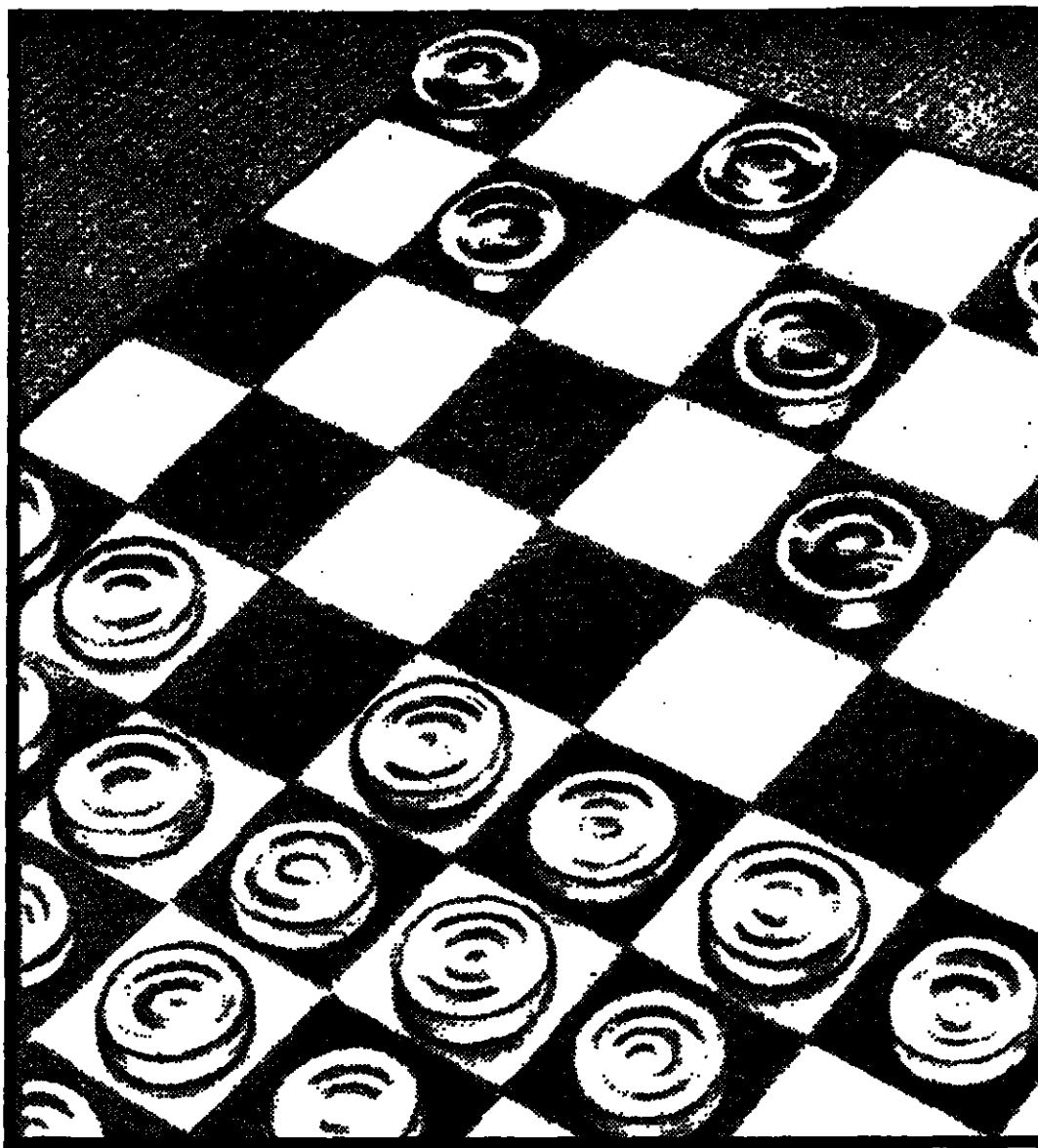
The Administration had an easier time with Martin S. Feldstein last week. But the chairman of the Council on Economic Advisers, whose persistent questioning of President Reagan's tax cuts and military spending increases has caused great White House annoyance, was the only Republican official, current or former, to take a softer line.

At a conference in Washington Mr. Feldstein, who has said he would like to keep his job, contended that much of the "structural" budget deficit was in fact inherited from the Carter Administration. William Poole, also a White House economic adviser, said that if necessary, interest rates should be raised next year to keep the money supply down. And Robert Dederick, who was Under Secretary of Commerce for Economic Affairs until September, said the deficit problem has not been "increasing spending; it has been our failure to cover our spending with taxation."

Neither is a line the Administration favors, particularly in an election year. Former President Ford, who has less to lose, has in the past urged President Reagan to accept a tax increase as inevitable and to curb defense spending. As an elder statesman (and one of the few non-economists) at last week's meeting, Mr. Ford did not go into specifics. But the world, he said, is "in trouble" if the United States doesn't show economic leadership.

Caroline Rand Herron and Michael Wright

# Just How Fair Is Affirmative Action?



Drawing by Bob Cole; Black Star/Dennis Brack (Agency); The New York Times/Steve Miller (Days)

## William Bradford Reynolds 'They use discrimination to cure discrimination'



**ANSWER.** Affirmative action by my definition would be steps taken with the intent of encouraging greater numbers of minorities and women into the work force, and to insure that their opportunity to be employed is equal to the opportunity that anybody else has. I think it's a very good thing. If you define affirmative action as including some preference assigned to individuals based on race or sex that affords those who are not themselves victims of discrimination an advantage over other innocent parties, I do not think it's a good thing.

**Q.** Do you think that blacks today are entitled to any legal preference simply because of the nation's history of slavery and more than a century of discrimination?

**A.** No, I don't. Probably the most pernicious lingering effect of past discrimination in this country is the continued tolerance to classify people on the basis of race.

**Q.** You've often said that employment and school admission decisions must be color-blind. Justice and the law may be color-blind, but how can they function in a society which itself is not?

**A.** If you have someone whose only claim to preferential treatment is that they are part of a class who has been victimized in the past, I don't think that that individual has any entitlement. Nor do I think that you are helping in any way, shape or form if somebody who is not qualified for the job is given the job because of the color of that person's skin. I don't think that you have done anything to repair the effects of past discrimination to the group, and the individual placed in that awkward position is going to wind up being more disadvantaged than if they'd been treated based on their own individual merit.

## Drew S. Days 3d 'The courts have affirmed race-conscious approaches'



**ANSWER.** Affirmative action is a good thing, because it does more than simply prohibit discrimination in the future. It actually attempts to make up for the effects of discrimination that occurred in the past.

**Q.** While supporting the Detroit Police Department's affirmative action plan, the trial judge in Federal district court, Damon J. Keith, also noted that all affirmative action programs have an adverse effect on whites, and to one extent or another upset settled expectations.

**A.** I have never thought that, over the last 30 years or so since Brown v. Board of Education, the society expected there to be an institution-by-institution analysis to determine something we already know—that discrimination based upon race is pervasive. Its effects are there for everyone to see.

So if a university or an employer decides on its own to open up opportunities for minorities or women, that is appropriate. And when the courts affirmed in recent years certain race-conscious approaches to admissions or hiring, while those approaches do have an impact upon expectations, the courts have tried to minimize detrimental effects and have been very sensitive to the social implications of legal steps.

**Q.** The Reagan Administration contends that you can't correct a wrong by a similar wrong.

**A.** Apart from the questionable nature of that as just a matter of public policy, it's wrong as a matter of law.

It was argued in *Swann v. Charlotte-Mecklenburg* that courts could not recognize the race of children in ordering a desegregation remedy. The Supreme Court in 1971 essentially said that was ridiculous. There is no way in which a wrong that's based upon race can be corrected without

recognizing race in the process.

The hope of the society and the hope of the law is that this recognition of race, or sex, for that matter, can be put aside after a period of time.

**Q.** What about numerical goals and quotas? When are they defensible?

**A.** Once again, the question has to be viewed with a continuum in mind.

This experience with various methods of remedying discrimination in employment is one that several prior Administrations have had. The conclusion that even people in the Nixon Administration reached was that simply requiring every employer found guilty to exercise good-faith efforts was not going to change the status quo. Therefore the Nixon Administration decided that some numerical goals and timetables were required.

### Promoting the Qualified

**Q.** Isn't it true that when you have a one-for-one quota, as in the case of the Detroit police, requiring the promotion of equal numbers of blacks and whites, some of the black officers promoted will be less qualified than some of the white officers who are not?

**A.** Goals and timetables or quotas have never to my knowledge authorized the promotion or hiring of unqualified people. If one wants to say that a white officer has 15 years on the force and a black officer has five years and therefore the white officer is more qualified than the black, I suppose that's true. But that does not mean that the black officer is unqualified to do the job.

This is also true in hiring. We have a societal attraction, at least since the end of World War II, to testing as the most effective way to determine who is qualified and who is unqualified. That, too, is a false assumption, unless one is looking at

The Reagan Administration's attack on affirmative action plans using quotas was pursued on two fronts last week.

The first was political. President Reagan made three appointments to the United States Commission on Civil Rights, which White House officials said they hoped would reshape the panel in a vein more consistent with his views. Two Republican women who support an active Federal role in civil rights enforcement were dropped. Congressional Democrats and civil rights groups believed the White House had entered into an agreement on the composition of the commission last month when a compromise that continued the life of the panel was struck. They said they had been betrayed.

The second front was the Supreme Court. In oral argument, the Justice Department maintained that a Federal district judge had been wrong when he required Memphis and its predominantly white firefighters' union to bend seniority rules to protect black workers, hired under an affirmative action plan, from layoffs. Only people who can prove they were victims of discrimination are entitled to "rightful place seniority," the Government argued. In a Supreme Court brief filed nine days ago, the Department asserted that Detroit's plan for promoting black and white officers in equal numbers is unconstitutional, because the city is a public employer.

Robert Pear, a reporter in the Washington bureau of The New York Times, talked last week with William Bradford Reynolds, Assistant Attorney General for civil rights, and Drew S. Days 3d, who held that post in the Carter Administration and is now professor of law at Yale University. The first question Mr. Pear asked each was: "Is affirmative action a good thing or a bad thing?" Excerpts from the separate interviews follow.

**A.** That's absolutely so. The pendulum swung one way and now they're going to swing it back the other way, and they're going to use discrimination to cure discrimination. I would ask you the question: What is it you're correcting by bringing, through discriminatory means, a number of blacks into the system? Tolerance for selection on the basis of race is not being wiped out or removed. It's being perpetuated.

**Q.** You make it sound as if the principles here are absolute. But aren't all social relations a matter of give and take?

**A.** An awful lot of social relations are a matter of give and take. But we fought a Civil War over the very question that we're discussing.

The one thing that comes out of our history is that we cannot exclude people from opportunities because of immutable characteristics. We went through a period of time where we treated people as groups and we assigned them the benefits of society based on what group they fit in. It's called "Separate but Equal."

### The Quota Equation

**Q.** What is it you object to in the Detroit plan?

**A.** The plan is a quota. For every white promoted there must be a black promoted, until such time as the entire police force, all the way up the ranks, is 50-50.

**Q.** That 50 percent goal, or quota, is less than the black population of Detroit.

**A.** It may be. But that assumes there's some relevance to what the black population is in Detroit for purposes of determining what the racial composition should be of its police force.

There are other factors in the real world that people look to, that suggest that they have an interest in the job or they don't, that they're qualified for it or they're not. Those things also have to be factored into the whole equation.

**Q.** If your view of affirmative action was accepted by the courts, wouldn't that lead to the conclusion that many of the consent decrees entered into by the Justice Department in the past were unconstitutional?

**A.** Certainly in the consent decrees we've entered into in this Administration, we wouldn't have a problem. I have no problem saying that there are consent decrees entered into in the past that could well be suspect.

people at the very top and the very bottom. There is a great middle section in which, even though there may be 20 percentage points between one score and the other, as a practical matter, those people will perform more or less equally.

**Q.** The Administration argues that under the law, the benefits of affirmative action and the remedies should be limited to individual, identifiable victims of proven discrimination.

**A.** That has a seductiveness that most simple and indeed simple-minded arguments have.

Case law does not require a black child to come forward to show that that child was the victim of discrimination and therefore had a right to go to a desegregated school. What the Supreme Court said was that all black children, indeed all children, have a right to go to a desegregated school.

The Court in *Bakke* approved the use of race as a criterion (in medical school admissions), largely with the vote of Justice Powell, who saw ethnic diversity in the university community as a constitutionally acceptable goal. Justice Powell said nothing about people admitted to achieve ethnic diversity having to demonstrate they were actual victims of discrimination. In *Weber*, the Court did not say that every black who was brought into Kaiser Aluminum's (training program) had to show that he or she was an actual victim. (In upholding the minority set-aside, in which black and other minority contractors were entitled to up to 10 percent of public works programs, the Court did not require that the contractors show they were actual victims.)

The Administration's position is really a smokescreen. Indeed, what it requires is that we go about and search for victims and if we can't find victims—I take it the Administration's position is there's no remedy, nobody gets anything. The employer gets off essentially free of responsibility to correct past practices.

**Q.** But the Administration seems to be saying that the standards for affirmative action are different for private and public employers.

**A.** The *Weber* case was a private situation (in which the employer was acting according to Federal statute). How could Congress, which is obviously an arm of Government, go about authorizing discrimination by private parties? The argument they make, that the Constitution imposes a higher standard (on Government) is not supported by the law.



# The Tangled Fight for Getty Oil

# The Economy



By LESLIE WAYNE

**W**HEN legendary billionaire J. Paul Getty died at his English country estate in 1976 at the age of 83, he left behind a mighty business empire, a priceless art collection and an ever-growing family tree to lay claim to his wealth. His business was oil — Getty Oil, one of the nation's largest domestic producers. His art collection was both distinguished and valuable — the museum he founded owns 12 percent of Getty Oil along with It Rubens and Rembrandts. And his heirs — three surviving sons, 21 grandchildren and great grandchildren — share a \$2.3 billion trust that owns 40 percent of Getty Oil.

These riches, however, have not brought peace to the world of Getty. Quite the opposite. The beneficiaries of J. Paul Getty's worldly endeavors — the company, the museum and assorted heirs — are embroiled today in a Byzantine, confusing and still unfolding battle for control of Getty Oil. Many principals remain silent, but interviews with their lawyers and financial advisers on both coasts and a study of court documents that are quickly piling up reveal a high-stakes and high-tension boardroom drama.

The protagonist is Gordon P. Getty, 50, an introverted music buff who studied at the San Francisco Conservatory of Music, sings with local opera companies and

## Gordon Getty is trying to win control of his father's company and reshape it — a strategy to enhance the family fortune.

receives some \$28 million a year in trust income. Though he worked briefly in minor positions at Getty, business never captured his fancy until recent events transformed him into a corporate activist. Last week he tangled with lawyers over Getty's problems and attended a Lincoln Center production of songs he had composed. As a director of Getty Oil and sole trustee of the Sarah C. Getty Trust he controls 40.2 percent of Getty shares. His goal is to better Getty's performance so that its stock — and his trust — are worth more.

His main opponent — for the moment — is Sidney R. Petersen, 52, the dapper chairman and chief executive of Getty who is trying to fend off the newly-transformed Gordon Getty. A financial man by training, Mr. Petersen joined Getty nearly three decades ago and is beginning to diversify it into insurance and cable television to help offset bad times in the oil business. His greatest fear is that Gordon Getty will take control and send him away. Mr. Petersen sees himself as the guardian of the 48 percent of Getty shares owned by the general public and has joined forces with Gordon's reclusive brother, J. Paul Getty Jr., who lives in London, to limit Gordon Getty's control of the family's money.

The third player in the battle — and the pivotal force — is Harold M. Williams, 54, the tough former chairman of the Securities and Exchange Commission, who, as chief executive of the Getty Museum in Malibu, Calif., controls 11.8 percent of Getty. Control of this block makes him potential kingmaker at Getty — both Gordon Getty and the company need the museum's shares to beat back the other. Last summer, Mr. Williams rejected Gordon Getty's bid to unite and kick out the Getty board. But last week, he joined hands with Gordon Getty in a bruising power play that, for now at least, has Mr. Petersen on the defensive. The situation is still so fluid that insiders claim they have no clear idea of how the drama will end.

"It's like a game of stud poker played with five cards," said Moses Lasky, a San Francisco attorney who represents Gordon Getty and who, many years ago, was J. Paul Getty's attorney. Everyone has four cards on the table and what is in the fifth card — no one knows.

As the battle rages, the parties have enlisted some of the highest priced talent on Wall Street and have fought all the way from Getty's penthouse corporate offices here to midnight meetings at London's elegant Claridge's Hotel. The battle has brought about talk of takeovers and buyouts, of liquidations and new boards of directors. And it has generated hurt feelings, a sense of betrayal and, even, sadness for many of those involved.

The battle Getty, though severe, is not unique. It is one of many struggles afflicting the nation's second-tier oil companies today as plummeting oil prices have de-

pressed the market value of assets that only a few years ago were coveted. At companies such as the Gulf Oil Corporation and the Superior Oil Company, shareholders and, sometimes, even members of founding families, are fighting for control.

Like them, Getty has suffered from falling oil prices. In 1982, net income fell to \$681 million on sales of \$12.3 billion, compared to earnings of \$856 million on sales of \$13.2 billion the year before. Clearly, it was a company worth more dead than alive. Although it has been trading at about \$78 a share, liquidation of its assets could fetch about \$153 a share, according to a recent estimate by the appraisal firm of John S. Herold Inc. Other analysts have estimated even more.

Although the company had a hefty \$2 billion in working capital and relatively modest debt, it has had a poor record of finding oil. Last year it spent \$1.3 billion on exploration and ended up with 120 million fewer barrels of oil reserves than the year before. And Getty spends \$5 per barrel more than the industry average to find reserves. This poor track record is a legacy of the early 1980's, when many key Getty geologists left for higher paying jobs elsewhere. In more recent times, Mr. Petersen, chairman since June 1980, has led Getty into a controversial diversification program — acquiring a profitable insurance operation that added \$82 million to 1982 earnings, but sinking some \$100 million into the Entertainment and Sports Programming Network Inc., a cable television venture that has yet to become profitable.

Gordon Getty's intense interest in the company began in May 1982 when his father's long-time associate C. Lansing Hays Jr., died. Mr. Lansing, an experienced and domineering attorney, had been co-trustee with Gordon Getty of the Sarah C. Getty Trust. Until Mr. Hays's death, by all accounts, Gordon Getty had generally deferred to the elder lawyer, in trust matters.

"Following Hays's death, Gordon began a period of evolution in his vision of himself, his relation to the company and his vision of the company itself," said Mr. Petersen, in a recent interview in his spacious office here.

During early 1983, at Mr. Getty's instigation, the company began to look at alternatives to raise its earnings and, presumably its stock price, and concluded that Getty Oil should remain on its present course. Dissatisfied, Gordon Getty continued to press in private meetings with Mr. Petersen. By the latter's account, Mr. Getty felt further studies were needed and was ready to run off to New York and hire an investment banker to conduct them. Alarmed, Mr. Petersen tried to dissuade him — he feared that the spectacle of a 40 percent shareholder hiring an investment banker to study Getty Oil's direction was tantamount to putting a "for sale" sign on the company.

Instead, the company persuaded Mr. Getty to let the company hire an investment banker for the study — in this case Goldman, Sachs & Company. In a July meeting before the Getty board, Goldman Sachs presented its findings. Using the code name of "Phutus" to keep Getty's identity secret, Goldman Sachs looked at several alternatives to increase the company's market value: maintaining the status quo, liquidation into a limited partnership, setting up a royalty trust, setting up an exploration and production partnership or undertaking a \$500 million per year stock repurchase program. While Goldman Sachs recommended no particular alternative, its report spoke most favorably of the stock repurchase program. The board took no action — implicitly rejecting

that idea. The repurchase plan would have increased Gordon Getty's control to 53 percent within two years by decreasing the number of Getty shares in the open market.

Throughout last summer, intense negotiations continued between Gordon Getty and Mr. Petersen with Mr. Getty putting forth one proposal after another and Mr. Petersen batting them away just as fast. According to Mr. Petersen, the suggestions presented to him by Mr. Getty included a leveraged buyout in which the trust and the museum would join forces, buy out the remaining shareholders and take the company private; a complete sale of the company's assets, and partial liquidation and redemption of the trusts shares in which the trust would exchange its shares for some of Getty's assets.

But Mr. Petersen's major concern during this time was the share repurchase proposal, which had become Mr. Getty's pet idea. "It is management's feeling and the board's feeling that putting the company under absolute control of a sole trustee is not in the best interests of the

## WEEK IN BUSINESS

William F. Baxter, saying he was "burned out," resigned as head of the Justice Department's antitrust division, effective this week. The Assistant Attorney General, who perhaps had greater impact on antitrust policy and enforcement than anyone since F.D.R.'s antitrust chief, Thurmond Arnold, plans to return to Stanford Law School to teach. During his tenure, Mr. Baxter ended the Government's two largest antitrust cases — the A.T. & T. monopoly case, which resulted in the coming Jan. 1 breakup, and the I.B.M. monopoly case, which Mr. Baxter dropped. Moreover, just last week he closed the Government's six-year antitrust investigation of the four major American oil companies that are partners in Saudi Arabia's Aramco. Mr. Baxter's successor will be J. Paul McGrath, head of the Justice Department's civil division, but Mr. McGrath has disavowed himself from involvement in the A.T. & T. case since he has worked for the company. Interestingly, that leaves no Reagan appointee heading the Administration's involvement in the largest corporate breakup in history.

Staying On. Lee A. Iacocca will not be leaving Chrysler, but will stay on for five more years. The man who turned around the No. 3 auto company has good reason to remain. His new contract will give him a stock bonus of up to 200,000 shares of Chrysler, currently worth some \$5.6 million, if he stays the full term.

Stocks reacted to rising interest rates, moving up and down through the week. The Dow Jones industrial average lost 5.18 points to close at 1,280.06. Interest rates rose through most of the week, then fell back modestly after the Federal Reserve announced a \$2.1 billion drop in the money supply.

OPEC's oil ministers left Geneva after three days of meetings, in which they agreed to hold prices at \$29 a barrel and production at 17.5 million barrels a day. Though the outcome had been expected by analysts, the Iranian delegation had muddled the waters by demanding a \$5-a-barrel increase — a demand it later dropped. Saudi Arabia, bowing to pressure by many OPEC members, agreed to continue its role of swing member — raising or lowering its production according to world demand. But analysts were predicting the oil cartel will not be able to hold to the price or production levels.

Common Market leaders left Athens after three days of almost futile discussions, deadlocked over E.E.C. agricultural policy, which has

left the community on the brink of bankruptcy. "We were not able to reach a unanimous position on a single issue," despite six months of preparatory work, said Greek Prime Minister Andreas Papandreu. Agriculture has been a continuing source of tension because community subsidies of farm products generate large surpluses that in turn must be dumped on world markets, creating trade tensions. More than a dozen formulas were proposed for controlling farm programs.

Giving Back. Three major unions are giving back to Eastern Airlines about \$300 million in scheduled wages next year, plus about \$75 million in productivity concessions. In return, the unions will get two seats on the airline's board of directors and eventual ownership by workers of one-quarter of the company's common stock. The sweeping agreement

seemed to ease considerably the airline's struggle to remain a viable business, and ended weeks of tense negotiations. Flight attendants and machinists will forgo 18 percent of their pay next year, while Eastern's pilots will give back 22 percent.

Giving In. Major institutional shareholders were evidently so upset with a plan by Superior Oil management to issue a stock dividend as a means of fending off any takeover attempt that the company withdrew the "poison pill" proposal. Nevertheless, management rejected a proposal by Howard B. Keck — son of the founder — to put Superior up for sale, contending the shares were currently greatly under-priced. A "wise, even though embarrassing" move was one analyst's assessment.

Nathaniel C. Nash

### The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED DECEMBER 9, 1983 (Consolidated)					Standard & Poor's				
Company	Sales	Last	Net Chng		400 Indust	188 2	184 0	185.9	-0.31
ATT	23,203,200	63 1/2	- 1 1/2		20 Transp	32 2	31.2	31.8	+0.16
ATTW	20,748,100	19 1/2	- 1 1/2		40 Utils	67 1/2	66.7	67.1	-0.51
Diam S	11,430,200	20	- 3 1/2		40 Financial	18 5	18.1	18.3	-0.08
IBM	5,213,800	122 1/2	+ 4 1/2		500 Stocks	167 1	163.5	165.0	-0.35
Pan Am	4,599,200	8 1/2	+ 1/2		Dow Jones				
Hou Ind	4,093,200	20 1/2	- 1 1/2		30 Indust	1282 4	1252.0	1280.0	- 5.18
Bext Tr	3,935,700	22 1/2	+ 1 1/2		20 Transp	615.2	596.3	604.9	- 0.38
Exxon	3,877,700	38 1/2	- 1 1/2		15 Utils	135.4	133.0	133.9	- 0.96
Mid S U	3,149,100	14 1/2	- 1 1/2		65 Comb	514.0	502.5	505.8	- 1.75
Mer Ly	2,964,200	32 1/2	- 1 1/2		The American Stock Exchange				
K mart	2,925,800	35	- 2 1/2		MOST ACTIVE STOCKS WEEK ENDED DEC. 9, 1983				
A Exp	2,893,000	32 1/2	- 1 1/2		(Consolidated)				
Dr Pepp	2,856,400	21 1/2	+ 1/2		Company	Sales	Last	Net Chng	
Chryslr	2,842,400	28 1/2	+ 1/2		DorGas	2,047,000	21 1/2	+ 4 1/2	
John Jn	2,785,100	40 1/2	- 1 1/2		Vrbm	1,437,900	17 1/2	- 1/2	

MARKET DIARY				Last	Prev.
				Week	Week
Advances	901	963			
Declines	1,097	1,052			
Total Issues	2,246	2,243			
New Highs	131	190			
New Lows	136	98			

VOLUME				Last	Year
				Week	To Date
(4 P.M. New York Close)					
Total Sales	478,520,980	20,420,197,970			
Same Per. 1982	469,706,430	15,502,574,077			

WEEK'S MARKET AVERAGES				Last	Prev.
				Week	Week
High					
Low					
Last Change					

New York Stock Exchange				Last	Prev.
				Week	Week
Indust	111.8	110.7	111.1	-0.15	
Transp	101.4	98.9	100.4	+0.83	
Utils	47.7	47.3	47.3	-0.58	
Finance	95.4	94.8	94.9	-0.52	
Composite	96.0	95.0	95.4	-0.26	

Standard & Poor's				Last	Prev.
				Week	Week
400 Indust	188 2	184 0	185.9	-0.31	
20 Transp	32 2	31.2	31.8	+0.16	
40 Utils	67 1/2	66.7	67.1	-0.51	
40 Financial	18 5	18.1	18.3	-0.08	
500 Stocks	167 1	163.5	165.0	-0.35	

The American Stock Exchange				Last	Prev.
				Week	Week
30 Indust	1282 4	1252.0	1280.0	- 5.18	
20 Transp	615.2	596.3	604.9	- 0.38	
15 Utils	135.4	133.0	133.9	- 0.96	
65 Comb	514.0	502.5	505.8	- 1.75	

MARKET DIARY				Last	Prev.
				Week	Week
Advances	325	408			
Declines	467	367			
Total Issues	930	933			
New Highs	42	41			
New Lows	27	19			

VOLUME				Last	Year
				Week	To Date
(4 P.M. New York Close)					
Total Sales	33,708,780	1,961,234,234			
Same Per. 1982	43,591,660	1,241,923,000			



# The New York Times

Founded in 1851  
ADOLPH S. OCHS, Publisher 1896-1926  
ARTHUR HAYS SULZBERGER, Publisher 1926-1961  
ORVILLE DRYFOOS, Publisher 1961-1983

ARTHUR OCHS SULZBERGER, Publisher  
A. M. ROSENTHAL, Executive Editor  
SEYMOUR TUPPING, Managing Editor  
ARTHUR GELB, Deputy Managing Editor  
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## Beyond the Deficit

President Reagan has been slow to admit that big deficits are dangerous because he would prefer no one to notice he's spilled a record amount of red ink. But with Democrats plotting to turn this very Republican issue against him, he's got to be thinking of good ways to change the subject. There's a way to hold both parties equally responsible.

Yes, deficits are bad. Opposing them is good. But railing against them is not a policy. If Campaign '84 merely debates blame, the country will be no better off in 1985, or 1988.

The numbers are appalling. The Administration estimates that without spending cuts or tax increases, the fiscal 1988 deficit will be \$210 billion. Congress's budget experts say \$250 billion. The only way to reduce such deficits is to alter the balance of spending programs and tax revenues. Mr. Reagan says he won't talk taxes until Congress cuts spending; Congress won't cut civilian spending until the President yields on defense and taxes. That game of chicken has to stop.

Significant savings will be found only in the major programs: defense (28 percent of the budget) and a broad sweep of "entitlements" — Social Security, Medicare, farm subsidies, food stamps, etc. (45 percent). Modest reductions in these large outlays would save more dollars with less grief than deep and painful cuts in small programs.

Defense spending, now approaching \$250 billion a year, is scheduled to grow to \$385 billion in 1988 and incredibly more than that if Defense Secretary Weinberger has his way. Congress has begun to rein

in that runaway horse, but not nearly enough. Among "entitlements," Social Security and Medicare alone account for more than a fourth of the total Federal budget. Unless Social Security is cut again, along with Medicare this time, the civilian budget cannot be significantly reduced. Excessive though they are, for example, farm subsidies account for only 3 percent of total spending.

And then there is the interest on the national debt, now 12 percent of the budget and rising faster than any other major item. The horrible prospect is that higher interest costs alone could gobble up a big tax increase. There's only one way to prevent it: Reduce the deficit.

Even with the best will, however, cuts in these big categories won't come to \$100 billion by 1988. An honest debate would recognize that tax increases, too, are necessary.

Congress is tempted to try to raise revenues without actually voting a tax increase — by repealing the indexing of income tax brackets before it's effective in 1985. But the trickery of raising taxes through "bracket creep" should be consigned to history. The President's insistence on high defense spending and Congress's reluctance to cut entitlements are both inconsistent with the big tax reduction they jointly engineered in 1981. It's their joint responsibility now to raise some taxes.

The Federal budget won't be balanced soon, and that's not essential. But large and growing deficits are unsustainable. They have to be reduced by responsibly identifying areas of too much spending and inadequate taxation. Anyone talking political sense in 1984 will address those choices.

## Bordering on Immigration Reform

Over the border, there lies the promised land  
Where everything's easy, you just hold out your hand.

That's what Genesis, the rock group, says in its new song, "Illegal Alien," and everybody knows it's true. Real illegal aliens, streaming in across the Mexican border, know it. The President, who favors a bill to control the border, knows it. The Senate, which passed the bill twice, knows it. Democrats and Republicans, big labor and big business know it, which is why they support the bill.

Only Thomas P. O'Neill Jr., the Speaker of the House, did not know it — or if he did, thought it more important to please some Hispanic groups than to put the country in charge of its own immigration policy. In October, he killed the Simpson-Mazzoli reform bill for the year.

But now, the Speaker has recalculated and appears satisfied about two points. First, as he has been extensively informed since October, controlling the border is not merely a toy of the go-goos, good government reformers. It has won widespread, bipartisan backing. Second, Senator Alan Simpson, a Republican sponsor of the bill, assured him that if it passed, the President would not torpedo the Speaker by vetoing it. Mr. O'Neill has, consequently, come out in support of the bill after all, and firmly so. "It will come to the floor," he told The Boston Globe. "It will pass."

The forceful prediction is as welcome as the

forthright conversion. The bill has already passed the Senate easily, so immigration reform, even if diluted by compromise, seems probable for the first time. But a sizable peril may yet await this Pauline. The Speaker can change his mind but he cannot roll back the clock. The bill can no longer be acted on before the Presidential campaign.

With an eye to the Hispanic leaders who don't like it, Candidates Cranston, Hart and Mondale have already expressed their opposition. It's far from clear that those Hispanic leaders in fact represent their following on this issue. A poll last summer showed extensive support for immigration reform among the Hispanic rank and file.

Nor are the Hispanic leaders' arguments easy to follow. Under the reform bill, an employer who hires illegal aliens would, at last, be held accountable. Hence, they argue, even a well-meaning employer would shrink from hiring legal Hispanic workers, too — for fear they were using false identification. That's hard to believe, because the same employers complain they can't find enough agricultural workers now — and fear there'll be fewer if the bill passes. An employer worried about a shortage of workers is not likely to reject more of them.

Still, in the heat of a primary campaign, such considerations are often flattened into fine points, as candidates lunge to outdo each other with ill-considered promises. The best antidote for that is speed. Applause to Speaker O'Neill for now wanting immigration reform to move. Cheers if he can make it move fast.

## A Touch of Class

New Yorkers who keep the cellophane on their lamp shades and encase their couches in plastic will weep with frustration once they see the R-62, the city's new subway car. If only, they'll be saying to themselves, we can keep it that way.

The R-62 has a stainless steel skin that is said to be graffiti-proof. We hope so, because we're very tired of Dee 177, Boop! and Super Stud. The steel interior is satin-striped — pleasantly reminiscent of a 1930's cigarette case. The seats are orange and red — pleasantly reminiscent of McDonald's and HoJo's.

All the lights work, in itself a pleasant change, and are reflected off stainless steel poles so that the car is very bright. Stoodees grip a horizontal bar

rather than those big loops that are never in the right place anyway and usually have to be shared with two other clenched fists. No one has spilled anything on the floor yet.

Large signs fore and aft proclaim the car's number; large signs on the sides proclaim place of origin, local or express and destination. This may not sound like much, but it is: As veteran New York riders know, the subway system features many a mystery ride.

The trip itself seems bouncy as ever, but the stopping is serene. Both halves of every door function. At the moment, a train of ten cars is traveling the city. Eventually there will be 1,150 such cars. Eventually can't come too soon.

## Medicine, False and True

### Who's Cuckoo?

The word "cuckoo" has been flung at Andrei Sakharov by a Soviet critic named Vitaly Ruben, speaking at an observance of Human Rights Day. Mr. Ruben tapped his head to emphasize his scorn for Dr. Sakharov and doubled the libel by contending the dissident physicist had urged the United States to attack the Soviet Union with nuclear weapons.

The wonder, of course, is that any thoughtful person could keep his balance in a place where the Rubens define sanity.

Dr. Sakharov was abducted in 1980 by K.G.B. thugs and exiled to the closed city of Gorky. His offense was expressing disagreement with some Soviet policies. In Gorky, this distinguished scientist has been hounded

and spied upon, and dragged to a hospital when he undertook a hunger strike. Only by threatening his own death could he shame his Government into letting his wife's daughter join her husband in the United States. At no point has he been charged with a crime.

Now one of his jailers invokes his name in a discussion of human rights. That's cuckoo.

### Aides for AIDS

"When persons with AIDS come to us, their lives are shattered and their heads twisted," says Roger McFarlane. "They're usually been fired from their jobs and kicked out of their apartments. Often, lovers have abandoned them. They feel like lepers."

Mr. McFarlane is director of Gay Men's Health Crisis, a group that assigns volunteers to help victims of AIDS, the immune system disorder that mostly attacks homosexual men and intravenous drug users. Besides the disease, AIDS victims must endure rejection by people who fear, erroneously, that AIDS is spread by slight contact.

The volunteers help their clients cope — clean the apartment, run errands, walk the dog. At the hospital, the volunteer may have to stand in for nurses and orderlies afraid to enter the victim's room.

Gay Men's Health Crisis helps all AIDS victims, many of whom are heterosexual drug users. It has looked after 420 patients, of whom 63 have died. Its volunteers merit praise for their care and steadfastness.

## Letters

### When Moral Obligation Conflicts With the Law

To the Editor:

In his Dec. 4 Op-Ed article, "Military Service: A Moral Obligation," Donald Kagan states that if a citizen reaches the age of majority and has not emigrated, he gives tacit approval to his nation's laws. He further holds that it is the citizen's moral obligation to obey these laws if he wishes to remain in his country.

Does Professor Kagan believe that those practicing civil disobedience in the 1960's to secure the constitutional rights of black citizens, abridged by law in many states, did not satisfy the moral demands of citizenship? Would the Vietnam War have ended if the Government had not been forced by public opinion to cease fighting, and would public opinion have been swayed if not for the draft resisters? Were those injured or killed by law enforcement officials while carrying out acts of civil disobedience getting a "free ride and failing in their moral responsibility as citizens?"

Throughout history, dissent in the form of civil disobedience has been one of the greatest tools of democracy, exposing injustice and forcing change. Professor Kagan's phrase of the "my country right or wrong" philosophy allows for no such constructive criticism.

In this time of nuclear proliferation and an expanding U.S. military presence abroad, we must each consider our moral responsibilities as Americans and as citizens of the world. Professor Kagan's suggestion that only service prescribed by the Government fulfills the obligations of citizenship does not aid us in this difficult task.

BRUCE POLSKY  
ROBIN DINER  
New York, Dec. 4, 1983

To the Editor:

The citizen who according to Professor Kagan is morally obligated to do military service is male and 18 to

26 years old. No other is asked to do service of any kind. All Americans, he indicates, are given the right to dissent, but the select group earmarked for military service must be willing to risk their lives, forfeiting their right to dissent.

Professor Kagan appears to believe that, since the United States is a



democracy, all decisions are made in a democratic manner. Unfortunately, this is not the case, particularly in regard to foreign policy.

And he plays on the "love it or leave it" theme when he makes the assumption that citizens who choose to remain in this country consent to its laws. People support some laws, are opposed to others and still wish to remain in the United States. Leaving is a difficult thing to do because one's country is not just laws and policies but loved ones, a culture and a home.

I was also struck by the anachronism of Professor Kagan's arguments. It is nuclear war, not some invading horde, that threatens our country's survival. The moral obligation of all United States citizens is to insist that their Government pur-

sue policies designed to lessen tensions between the superpowers and support those forces in the third-world nations that are working toward a better life for their people rather than supporting repressive forces and using the Soviet threat as an excuse for doing so.

Americans must stop their Government from engaging in wars of intervention to protect vested interests — wars that carry the risk of escalating, by way first of tactical nuclear weapons and ultimately nuclear missiles, into all-out nuclear war. This is the highest moral obligation.

EMILY S. GUTCHEN  
Great Neck, L.I., Dec. 4, 1983

To the Editor:

Donald Kagan's assertion that "pacifists can pursue their beliefs only in free societies and only because their fellow citizens are willing to fight and protect them" disregards what is to me, a conscientious objector who did alternative service as a volunteer, a key issue.

Professor Kagan does not see that the right to object to war is the result of objection. It is secured by the people who stand up and claim that right and by no one else.

Some believe that war objectors would serve in the military if threatened with alternatives of death, imprisonment or loss of livelihood. Many religious objectors to war, my German Church of the Brethren ancestors among them, suffered just such penalties in order to pursue their beliefs. It is that history of objection, and not the Marines in Beirut, from which I might be taking "a free ride," if in fact I am.

I believe we all do have a moral obligation to serve one another, but because it is a moral obligation, my service must be outside the military.

PHILLIP H. HERSHBERGER  
Brooklyn, Dec. 5, 1983

### A Producer's Stake In Retail Prices

To the Editor:

Jay Angoff's Dec. 5 Op-Ed attack on resale price maintenance (R.P.M.) — or, as he pejoratively calls it, retail price fixing — is sadly one-sided and incomplete. He fails to ask: Why should a manufacturer want R.P.M.? The manufacturer makes profits by charging the best wholesale price. He does not make higher profits directly by insuring high margins for distributors, which is the basic purpose of R.P.M. So why R.P.M.?

R.P.M. is used as part of a true horizontal price-fixing conspiracy among manufacturers or distributors. It should continue to be a "per se" (automatic) violation of the antitrust laws. But what about unilateral action by the manufacturer?

The only logical reason to impose R.P.M. unilaterally is the belief that it is the best way of insuring proper distribution services. Indeed, if a company chooses to both manufacture and distribute its goods, no one even thinks to raise the issue; it is natural for that company to decide on retail prices and services. But a smaller manufacturer who cannot provide his own distribution is at a disadvantage.

Some companies may mistakenly choose R.P.M. when "outside observers" believe another distribution strategy is more appropriate. But the antitrust laws should not be used to prevent companies from making their own mistakes; the marketplace is the proper arena for correcting mistakes. Of course, many companies would not find R.P.M. suitable for the efficient distribution of their goods. But some may, and the choice should be theirs. Consumers will be better off if manufacturers can choose the most efficient means of distributing their goods.

LAWRENCE J. WHITE  
Professor of Economics  
New York University  
New York, Dec. 6, 1983

### U.S. Policy 'Distorted by 180 Degrees'

To the Editor:

In his Nov. 30 Op-Ed article, President Carter's Ambassador to El Salvador, Robert E. White, distorted our policy toward Central America by 180 degrees when he wrote that I had "suggested that we 'place forward' deployed forces in [Central American] countries as in Korea and West Germany."

White referred to my Sept. 12 speech to the Baltimore Council on Foreign Affairs. In that speech I said: "We should seek to prevent the partition of Central America, a division of this region into two spheres, one linked to the Soviet bloc and one linked to the United States. Such a partition would inexorably lead to a hostile confrontation of large military forces."

I went on to warn against Nicaragua's continuing on its present major

military buildup and added, "...once the Sandinistas have acquired the military strength that they have long been planning for, they might well use that strength for direct attacks on their neighbors. . . . At that time, the only way to help protect the democracies might be for the United States to place forward deployed forces in these countries, as in Korea or West Germany. Clearly, we must prevent such a partition of Central America."

Thus, while I said "we must prevent" a situation in which we would have to place forward deployed forces, I never suggested that I "suggested" we should go ahead with forward deployment. Readers of his articles will do well to discount his quotations and "facts" unless they can check them carefully.

FRED C. IKLE  
Under Secretary of Defense  
Washington, Dec. 5, 1983

### Central Americans With Nothing in Common

To the Editor:

The State Department's linking of the names of Roberto d'Aubuisson of El Salvador and Tomás Borge of Nicaragua in its refusal to issue them visas ("Salvadoran Rightist and Key Sandinista Are Barred by U.S.," news story Nov. 30) is an obscenity.

Roberto d'Aubuisson, currently president of the Salvadoran Assembly, was aptly described by former Ambassador Robert White as a pathological killer. Evidence found on his person indicated his involvement in the assassination of Archbishop Romero, and in recent weeks several of his closest associates have been identified as leaders of the right-wing death squads currently murdering civilians.

On the other hand, Tomás Borge, a founder of the Nicaraguan Sandinista movement, was captured by the

Somoza forces before the insurrection and so badly tortured that it was feared he would not survive. However, he recovered and was appointed Minister of the Interior.

One of his first acts was to go to the prison where he had been held and where his principal torturer was now himself held. Borge said to him: "Remember when I told you I would take my revenge when I was free? I now come for my revenge. For your hate and torture, I give you love, and for what you did, I give you freedom." And he ordered the man set free. (Article by Nicaraguan Foreign Minister Miguel d'Escoto Brockmann, *Sojourners Magazine*, March 1983.)

To link d'Aubuisson and Borge is equivalent to linking Martin Luther King and Eichmann or Gandhi and Hitler. (Rev.) F. SANFORD CUTLER  
Morristown, N.J., Dec. 1, 1983

### Of the Grenada News Blackout and Reaction Against the Media

To the Editor:

In an article on the Dec. 2 Op-Ed page of The New York Times, "The Media Learn a Lesson," Richard M. Churman deals too quickly, I think, with a number of issues regarding public perceptions of the press.

While it is entirely reasonable for a newspaper reader to express dismay at a story that fails to meet basic standards of accuracy, it is quite another matter for that reader to complain the press has no business functioning aggressively as an adversary of the Government.

I have been a reporter for 20 years and, speaking only for myself, would argue that reporters are obliged to have an adversarial relationship with those in power and, further, that skepticism is an essential attribute of the professional journalist.

The press as an institution is far from perfect, and its representatives often do make mistakes, but our failures will indeed be grievous if we indulge the powerful as a means of pleasing the public.

FRED BRUNING  
Blue Point, L.I., Dec. 2, 1983

The writer is on the staff of Newsday.

To the Editor:

I, too, was surprised to discover a public "exasperation" with the news media, as revealed by a majority support for the news blackout during the invasion of Grenada. My students, who are spending the semester examining the "theory and practice of mass communication," were 2 to 1 in favor of the Reagan/Pentagon lid on live and immediate follow-up coverage by the news media.

Far from expressing the outraged liberality or restless idealism once

ascribed to campus collegians, these students said things like: "The media disgraced our Vietnam vets and only would have turned us against the decision to invade Grenada" and "There has to be more balance between the people's rights and the media's rights."

NEIL J. MORSE  
Instructor, Fairfield University  
Fairfield, Conn., Dec. 3, 1983

To the Editor:

Richard Churman well summarizes the public's distrust of the media, yet he omitted one important reason why reporters have to be excluded more now than in World War II operations. At that time, all our reporters were on our side.

R. M. CAMPBELL  
Cohasset, Mass., Dec. 2, 1983

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## Myopic Policy Toward Syria

By Robert G. Neumann

President Hafez al-Assad of Syria has emerged from years of isolation and placed himself at the power switch of Middle East policy. As long as his health holds up, no one who seeks influence in the region can afford to ignore him. Yet the United States' reactions to his new power have been sadly shortsighted and simplistic.

The more the United States becomes identified with the Lebanese Phalangists fighting the Druze and Shiites, the more Mr. Assad's leadership is strengthened. The more America views the Lebanese conflict through the prism of East-West relations, the more Mr. Assad needs a close relationship with Moscow, thus making Washington's conception a self-fulfilling prophecy.

By strengthening Israel with significant new military aid, the Reagan Administration may well bring about the very opposite of what it seeks. In the short run, the Syrians and their Soviet backer may become more cautious. But they will undoubtedly gain allies in Lebanon and among moderate Arab leaders who fear that their countries' internal stability would be undermined if they cooperated with an American-Israeli alliance.

Certainly, Mr. Assad evokes mixed reactions in the Arab world. His harshness and brutality, his decision to side with Iran against Iraq, his attempts to control and destroy the Palestine Liberation Organization — all are resented and feared. Yet harshness in the pursuit of policy also evokes admiration in the Arab world, and Mr. Assad has much support for his opposition to the withdrawal agreement signed in May by Lebanon and Israel.

The same is true of his opposition to the Phalange-dominated Lebanese Government. The Phalange is viewed as an Israeli tool that seeks to separate Lebanon from the main currents of Arab life. In this, Mr. Assad has the support not only of Lebanon's Moslems and Maronites but also of a great many non-Maronite Christians. Clearly, his power rests on a good deal more than his army, and he will remain a dominant force in Lebanon for the foreseeable future.

His aims are not difficult to discern. Above all, he wants to insure that nothing can be settled in the Middle East without his consent. For Lebanon, this means that his troops will remain not only as long as Israeli forces do but also as long as the withdrawal agreement, which gives Israel special rights, remains in force.

In the face of considerable domestic resistance to further involvement, the United States is in no position to challenge Syrian predominance in Lebanon. Only Israel could do that. Yet most Israelis are reluctant to move against Syria unless clearly threatened. Some even feel that their northern border would be more secure if the region were dominated by Damascus: Syria scrupulously observes the armistice on its own borders and can control the P.L.O.

What will President Assad do with his power? To attain the position he seeks as supreme Arab hero and leader, he will inevitably have to tackle the Arab-Israeli problem. What remains to be seen is whether he will try to deal with it by war or diplomacy.

The road to war and revenge is undoubtedly inviting to him. But there are serious problems on that path. It will take several years for the Soviet Union to rearm Syria fully, and it is doubtful that Israel, even in its present introspective mood, would stand idly by. Control over Syria's new air defense system will almost certainly remain in Soviet hands, and Syria would have to accept a virtual alliance with the Soviet Union to fight Israel successfully. Yet Mr. Assad could not be sure that Moscow would continue to support him in a crisis. He would also face the danger of superpower confrontation.

One should not, then, exclude the possibility that Mr. Assad may choose the political way. Yet even then, Soviet support would be essential. His own power base is too narrow to deal alone with American diplomacy. That means that he could not negotiate a separate agreement like the Camp David accords but would have to pursue something like the Geneva Conference proposed in 1977, in which the Soviet Union and the United States would have figured as co-chairmen. The mood in Washington makes this unlikely now, but it cannot be excluded for all time.

In the meantime, both Syria and the United States have an interest in gradually improved relations. Only this can give the Syrians an option other than total and exclusive dependence on the Soviet Union.

America's success in the Middle East will depend largely on its ability to retain a sense of proportion in its relations with all parties concerned — including Syria and the Soviet Union. We must master the traditional Middle Eastern game of opposing and cooperating at the same time.

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Robert G. Neumann, who was United States Ambassador to Afghanistan, Morocco and Saudi Arabia, is Director of Middle East Studies at the Center for Strategic and International Studies, at Georgetown University. This article is adapted from a longer essay in the current issue of Foreign Affairs.

Imagine that instead of American nuclear missiles, similar weapons belonging to an integrated Western European defense force were about to be installed in Western Europe. Imagine, too, that the Europeans paid the full cost of these missiles. And, finally, imagine that there were no American military bases or troops in Western Europe, so that any peace demonstrations would be taking place at European rather than American installations.

Such a "de-Americanization" of European defense would be better for Western security — better for Europe and for the United States — than the existing arrangement under which America subsidizes and controls European military capabilities.

The Americanization of European defense has led to a dangerous "new pacifism" and "new neutralism" in Western Europe. But even this pacifism is part of — whether intentionally or not — the Europeans' "free-rider" defense. How so? Our allies hide their true preference for defense — and Washington picks up most of the bill. Note carefully how the free-rider strategy works. It is not that we must pay for European defense because they won't pay for it themselves, as many American hawks argue. Rather, it is that they don't have to pay themselves, because we stand ready to pay for them.

Ironically, the more hawkish the Administration in Washington, the more serious the free-rider problem. European "pacifism" has soared under Ronald Reagan. Conversely, when Jimmy Carter was in power, European defense spending (measured as a percentage of gross national product) increased faster than ours did. Thus, for every step we take forward, they take one step back. It is a dynamic that threatens to undermine nuclear deterrence and the defense of the West. To escape it we must de-Americanize European defense.

The first step in the process is to withdraw American troops from Western Europe. These troops now serve as hostages to insure an American nuclear response in case the Russians make a move in, say, Berlin. The conventional wisdom holds that the troops are a sign of American credibility to defend Europe. In fact, they reflect a profound European skepticism about the American nuclear umbrella. Why else would the Europeans require a "deposit" of American lives? And if our deterrent is suspect to the Europeans, how credible can it seem to the Kremlin?

Reinforcing European doubts are growing American ones about

Melvin B. Krauss is professor of economics at New York University and senior fellow at the Hoover Institution on War, Revolution and Peace, at Stanford University.

## De-Americanize European Defense

By Melvin B. Krauss

whether Europe would be worth fighting a nuclear war over. Recent peace demonstrations by European youth, though at odds with official European policy, are nevertheless very disconcerting to American public opinion. The Europeans' adamant refusal to give up on détente indicates to many that the Americans and Europeans are marching to different drummers. Finally, the fact that many in Europe equate the American invasion to liberate Grenada with the Soviet invasion to subjugate Afghanistan implies that we already may have passed the point where the Europeans know who the real enemy is.

Far more credible to Moscow than

the American nuclear umbrella would be for Europe to have its own nuclear deterrent. The obvious problems raised by a nuclear West Germany could be circumvented by the establishment of a European defense force — so that instead of a single finger, there would be a single hand, with five fingers, on the crucial red button. Surely a European nuclear deterrent would frighten the Kremlin more than an American one that may, and may not, be used to defend Europe.

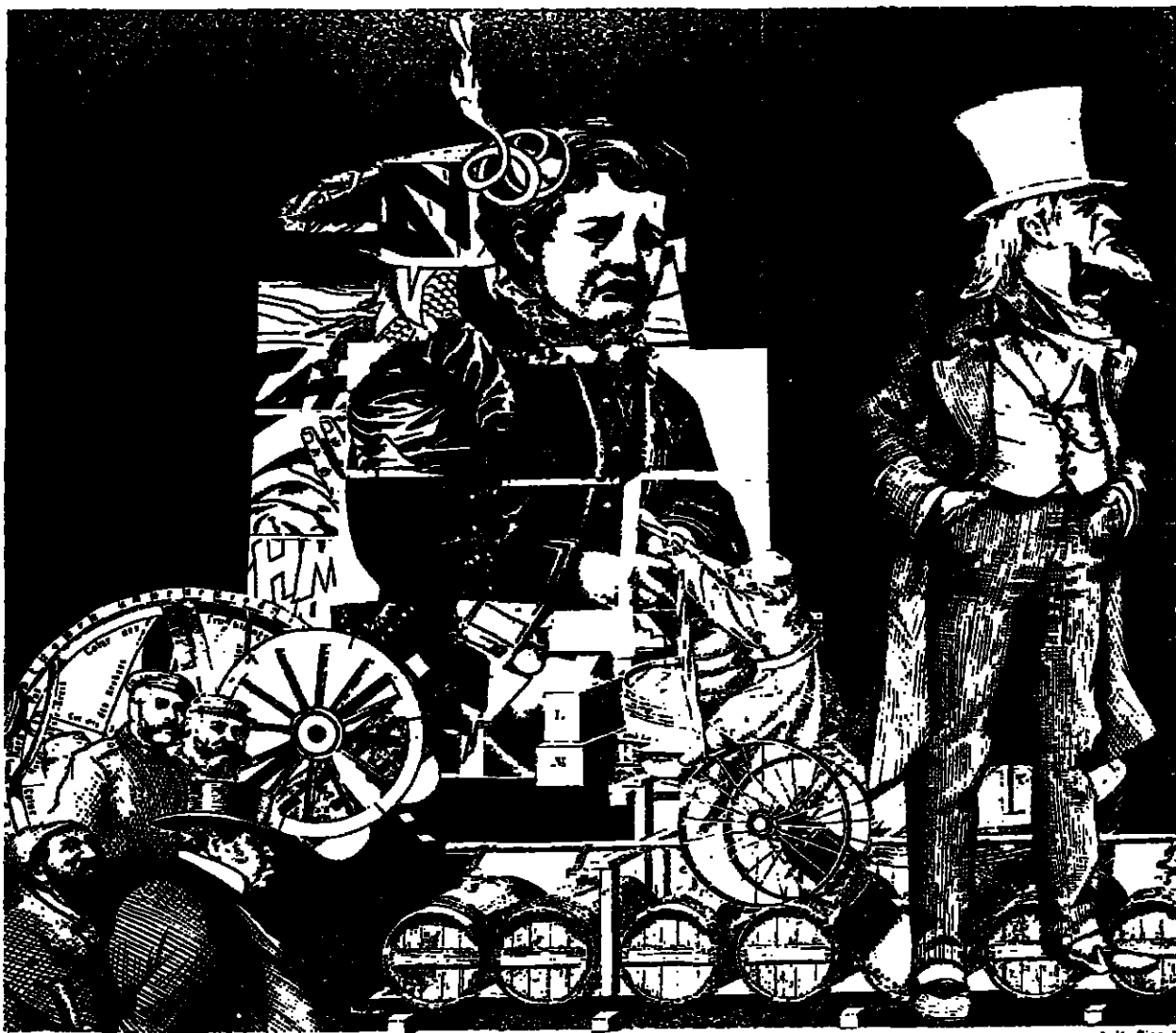
The Europeans can afford an independent defense force. United States subsidies for their defense were appropriate at the time when they were too poor to defend themselves. But,

happily, that time has long since past. Here, then, are three reasons why the de-Americanization of European defense would be beneficial for Western security:

First, it would negate the seesaw relationship that now exists between American and European defense efforts. No longer would the Europeans have an economic incentive to decrease their defense efforts when we increased ours. And we would not have an economic incentive to decrease our efforts when they increased theirs. As a result, the Western deterrent would be more credible to the Soviet Union.

Second, it would reduce tensions in the Western alliance. Both Europeans and Americans would worry less about the other's reliability because there would be more self-reliance within the West.

Third, it would give the Europeans more of a financial stake in the East-West struggle. As a result, they would be less likely to follow détente policies such as subsidized trade and credit that increase Soviet strength.



## More Air Travel Risk?

By Frederick C. Thayer

WASHINGTON — Is air travel getting more dangerous? Advocates of deregulation would say emphatically that it is not; others may be forgiven if they doubt this conclusion.

Not too long ago, a senior official of United Airlines was quoted in the press as saying that the reduction in the firm's workforce (from 54,000 to 42,000) since deregulation, accomplished while carrying the same number of passengers, proved that before deregulation, "we were not as efficient as we should have been." The question worth posing, however, is whether these improvements in "efficiency" really are what they appear to be, or if they are only an indication that passengers now face greater risks than before.

There is as yet no statistical evidence that safety has been compromised; there has been no frightening increase in accidents. This is less significant than it appears, however, because airline accidents are too rare to provide valid statistical trends.

What can be asserted with confidence is that the time to study safety is before accidents multiply, because the policy problem is to prevent them, not merely correct the conditions that caused them. What is now happening in the airline industry is not reassuring.

Thanks to substantial salary increases that are traceable to World War II military needs (not necessarily to regulation and a strong union), pilots were amply rewarded until deregulation spawned new airlines that paid much lower salaries while requiring pilots to fly much more. Nobody can predict precisely when increased flying hours (especially on short routes that require many take-offs and landings, which is when most accidents occur) will produce accident-causing fatigue. We are now in the midst of a national experiment that will provide accurate answers only if and when accidents occur. Do we really want such answers?

Airlines increasingly rely upon "hub-spoke" operations, which require more circuits routing and fewer nonstop flights than traditional airline route organization. This adds unnecessary flights to a saturated air traffic control system and more than doubles the risk for many passengers. Flying from Dallas to New York by way of Chicago, and from Pittsburgh

to Washington through Newark, are typical examples.

To save money on gate attendants and baggage handlers, airlines are encouraging passengers to store all their luggage in flimsy overhead racks. Items of luggage inevitably become injury- and death-causing missiles in a crash.

Some airlines now use reverse engine thrust to back planes away from terminal gates, saving money on tractors and mechanics. This may never cause a problem, but the practice was not instituted to improve safety.

With many more airlines to supervise than before, the Federal Aviation Administration's enforcement structure is stretched very thin. Deregulation, which spawned a host of small, new airlines, should logically have required a substantial increase in the number of inspectors. The number was reduced, however, and to such an extent that the Federal Aviation Administration cannot possibly know what is going on.

Common sense tells us that we should worry about the cost-conscious airlines cutting corners on maintenance. With old airlines drastically

pruning workforces, and new airlines operating at the lowest possible costs, it follows that less, perhaps substantially less, is being spent on maintenance than before. It's hard to know for sure, because airlines do not break out there expenditures for maintenance.

Deregulation has substantially increased the average age of fleets. New airlines rely upon second-hand fuel guzzlers, and the old carriers have postponed or canceled modernization. Unless more is being spent on maintenance (highly unlikely), safety is further at risk.

One need not agree with every argument of the Air Line Pilots Association to see the strong link between deregulation and safety that economic theorists persistently overlook. In conditions of all-out competition, the need to reduce costs imposes pressures that virtually compel competitors to cut corners. A few accidents in recent years, and more than a few "incidents" that stopped just short of tragedy, bear the earmarks of these unremitting pressures.

While many criticize the ability of powerful unions to keep wages and salaries higher than the critics would prefer, strong unions have contributed mightily to safety. The current debates about "union-busting" while significant, may be overlooking the most important question of all — safety in the skies.

## WASHINGTON

## Straws In the Whirlwind

By James Reston

WASHINGTON, Dec. 10 — President Reagan is riding high in the popularity polls these days, partly because his Democratic Party opponents look so dim, but he has some serious problems both at home and abroad.

He has many things going for him: mainly his own amiable personality, the recovery of the economy and the stupidity of the Russians. He has the support of the traditional Republican establishment, and is adding the Archie Bunker vote — a formidable combination; but he's beginning to scare the American and European allied people with his dukes-up attitude toward the Russians and his adventures in Lebanon.

In Lebanon, he has disconnected military action from political purpose. He sent in the Marines as "peacekeepers" (he calls the MX missile "the peacekeeper") — but he left the Marines in the Beirut airport to defend the so-called Government of Lebanon under the fire and bomb squads of its opposition in the Lebanese hills, with the Syrians and their modern Soviet missiles in the rear.

This makes sense only until you begin to think about it. Having committed the Marines to this dubious assignment and vulnerable airport bunker, the President argues that we can't withdraw. We may lose the lives of the marines, but we can't lose "face."

The element of accident in foreign affairs may be more important than anything else during the Presidential election campaign of 1984. President Reagan told a closed meeting of the Citizens for America, a pro-Reagan political action group, that as many as 1,000 terrorists were assembled in Lebanon to conduct suicide-bombing raids against the Americans.

If terrorists could blow up Marine headquarters in the Beirut airport, knowing that they would lose their lives, why not kamikaze air raids on our ships off the Lebanon coast? The President didn't discuss this or the consequences on public opinion if it happened.

So it's a little early to conclude that all will go well for Mr. Reagan if he runs. Jack Kennedy once remarked that domestic policy failures could hurt you, but that foreign policy failures could kill you, and the Reagan conduct of foreign policy is not his greatest achievement.

He has some other problems at home, the latest of which is that his old buddy, Edwin Meese 3d, his counselor in the White House, has recently proclaimed to domestic and foreign news agencies that there are no "authoritative figures" to prove that there are any "hungry children" in America, and that some people go to soup kitchens "because the food is free and that's easier than paying for it."

The problem about this is not that he knows better, but that he doesn't — that he really believes that, with inflation and unemployment down, all would be well if only people in Detroit and other unemployment areas would forget the past and go along with the President.

Maybe they will. Maybe the Russians will realize that Mr. Reagan is serious and they will shape up once the U.S. cruise and Pershing 2 missiles are in place in Germany, Britain and Italy. And maybe the Syrians, the Lebanese and the Israelis will come to terms with President Reagan's proposals for settling the Palestinians in the West Bank. But don't bet the rent on it.

Lebanon is not Grenada, which is close to home and where we had what is called a "bloodless victory" (maybe because the Reagan Administration made sure that nobody would see the blood). But the Middle East is something else: Those people have been fighting against one another and foreign intervention for centuries, and would rather fight than switch.

So we don't know what's going to happen between now and next year's Presidential election. The Russians could decide it by interfering with Mr. Reagan as they interfered with Chancellor Kohl in the recent West German election. Or there could be another miscalculation in the Middle East, or another incident to poison East-West relations like the destruction of the Korean civilian plane. Or personal tragedies, like the death of former Israeli Prime Minister Begin's wife; or the ill health of President Assad in Syria could make all the difference. But nobody knows.

What we do know here is that there is a fundamental difference between public opinion and private opinion about the conduct of the Reagan Administration's foreign and economic policies. On the whole, public opinion supports the President, but private opinion among his allies, and even among many of his supporters, including members of his White House staff, Cabinet and the permanent civil service, shows serious doubts.

Much will depend in the coming American Presidential election on how Mr. Reagan responds to these East-West and Middle Eastern problems. If he handles them prudently, as the U.S. economy improves, the chances are that nobody could beat him for re-election, if that's what he wants to do with the rest of his life. But if he mishandles them, no matter what the popularity polls say now, he may be in deep trouble next November.

## ESSAY

## Call of the Bull Meese

By William Safire

question claiming that "authoritative organizations" found "too many hungry children." Mr. Meese had argued that he had never seen "any authoritative figures" that there are hungry children in the U.S., and — here is where he went over the side — that some people went to soup kitchens "because the food is free and that's easier than paying for it."

That was an impolitic answer, and we are now in that time of our national life when mere flaps are fanned into firestorms.

We all know the political thrust of the question: that hard-hearted Reagan policies are seeking to reduce the deficit on the backs of starving waifs. And we know the political intent of the Meese answer: (1) Such a charge is not backed up by reliable data; (2) enough government programs are in place to make certain that everyone under the poverty level is provided food or money for food so that no American child needs go hungry; and (3) if hunger exists despite all the money being spent on food assistance, then the local delivery system should be examined.

It pains me to defend Mr. Meese,

who is the most eager panderer to Mr. Reagan's leakomania; if Ed Meese had his way, every person on a soup line would be attached to a lie detector and asked: "Are you sincerely hungry? Do you have a quarter in your piggy bank at home that would enable you to pay for this soup?"

But he stumbled into the trap we shall see often in the coming year: He tried to deal with a shibboleth question without properly pronouncing the shibboleth. That happened to George Romney with his "brainwashed" remark; it enables the political opposition to pounce, and for the excitable to report a firestorm in a teapot.

For example, when asked "Is a nuclear war winnable?" the shibboleth questioner demands a "no." Certainly both sides in a nuclear war would suffer profoundly, but the purpose of our deterrent is to convince the other side that starting such a war would cause it to suffer more, even to "lose." The honest answer is "tempted to say, 'If the Russians think we would win, they won't start a war, so why should I say we wouldn't win?'" But that would be impolitic, opening the politician to the firestorm

of charges of warmongering, and so he shuts up and repeats piously "all would be losers."

In the same way, hunger, poverty, unemployment and other downers demand the standard, politic "unfiniteness" answer: "Despite the great strides we have made in only three years, I say to you that as long as one American is hungry (impoverished, undereducated or stricken with ennu), then we have unfinished business in this country!" (applause).

The faintest suggestion in an election year that the root cause of some people's presence in soup kitchens may be engrained dependency, or the rational desire of a poor person to save a buck that can be spent on something else, or — worst of all — that the question presupposes a need that may no longer exist or at least requires no Federal action is instantly seen as impolitic and gives the shibboleth questioner a chance to slay the hapless Ephraimite.

Are some people hungry? Of course; most of those relative few do not know how to get the available government aid, and deserve no derision for turning to private charity. But widespread hunger is no longer a problem in America, and it should not be considered heartless to say so.

The voracious hunger this weekend was in the bellies of candidates for a political target, and for a story to be covered with editorial relish. Ed Meese served himself up on a plate, but that sort of hunger will never be satisfied.



## Fact and Legend Clash in 'Silkwood'

By WILLIAM J. BROAD

One night while driving to a rendezvous with a reporter, Karen Silkwood veered off a lonely stretch of Oklahoma highway and hit a concrete culvert at a speed of about 45 miles per hour. She was 28 years old. Her death in 1974—as subsequently told in books, articles, plays and now a major motion picture—is a tale of nuclear martyrdom in which her employer is key suspect. Miss Silkwood allegedly had documents, never found, that would have embarrassed her employer, the Kerr-McGee Corporation, a rich, powerful energy-based conglomerate that ran a factory near Crescent, Okla., for fabricating nuclear fuel out of plutonium, one of the world's most deadly poisons.

In "Silkwood," Meryl Streep plays a redneck turned union activist who swears a lot, sleeps around, and pops pills in the course of her quest to expose Kerr-McGee's evil ways. The dramatic effectiveness of "Silkwood" as a film will have to be left to the critics to judge; as a depiction of a scientific subject, however, it can be faulted.

The film poses one dark question after another: Did Kerr-McGee cover up flaws in plutonium fuel rods?

Could such flaws cause a Federally-financed breeder reactor in Washington State to blow up and kill millions of people? Did Miss Silkwood uncover falsified records? Most important, was she forced off the highway that fateful night?

The film's hints at terrifying answers add up to a subtle indictment of Kerr-McGee. But the movie overlooks ambiguities in the Silkwood case as well as the technical realities of breeder reactors.

Beyond all doubt, Kerr-McGee's factory was a hellish place to work. Between 1970 and 1975 there were 574 reported exposures to plutonium. During a Congressional investigation, Dr. Karl Morgan, a former health physicist at the Oak Ridge National Laboratory, said he had never seen a facility so poorly run. Miss Silkwood knew the horror firsthand. The movie shows instances when Miss Silkwood was scrubbed down in the factory after contamination and depicts the piece by piece dismantling of the interior of her home after it was found to be contaminated.

Although the verdict is on appeal, a jury awarded her estate \$10.5 million in damages for contamination she suffered. A little more than a year after Miss Silkwood's death, the factory was closed permanently.

Kerr-McGee said the Government and Westinghouse-Hanford, which



Meryl Streep in a scene from "Silkwood," opening Wednesday—a tale of nuclear martyrdom

managed the reactor in Washington State, did not renew its contract for financial reasons. But other accounts said that the poor quality of the fuel rods was the reason, an assertion both Westinghouse and Kerr-McGee deny.

Kerr-McGee had gone out of its way

to downplay the dangers, its health manual saying in capital letters: "RADIATION IS SAFE." That is a terrible half-truth. Although radiation from plutonium is easily stopped by a piece of tissue paper or, in humans, by dead cells that make up the outer layer of skin, once the metal enters the body through the nose or mouth it fires a continuous barrage of subatomic "bullets" into soft tissues, wreaking havoc with cellular machinery. Caught in a lung, a dust-size speck of plutonium is widely thought to be able to cause cancer.

Miss Silkwood, a straight-A student in high school who dreamed of a career as a medical technologist, soaked up these dreary facts and tried to rally her peers, lovers and friends to the danger.

The film shows this vividly. Thelma, a wig-toting grandmother type played by Sissy Spacek, is contaminated by plutonium, stripped of her clothes, and brutally scrubbed down in a shower. Miss Silkwood later warns Thelma to get a nasal smear to test whether plutonium has entered her lungs, a precaution overlooked by the company's "health officer," who boasts a degree in veterinary science.

Miss Silkwood catches a sinister supervisor, played by Craig T. Nelson, tampering with negatives, apparently covering up evidence of faulty welds in fuel rods. In real life, investigators advised, in the course of

## Arts & Leisure

gations by the Atomic Energy Commission revealed he was touching up dust spots, saving himself the bother of having to retake photos. Although it got him in trouble, his corner-cutting in no way hid dangers.

Union officials tell Miss Silkwood this deception could touch off atomic disaster. "With ordinary nuclear power plants you can have a melt-down and poisonous gas and dead people, but that's nothing compared to what might go wrong with breeders," says an official in hushed tones. "You put one of your defective fuel rods into a breeder reactor, for all we know the whole state could be wiped out."

When Miss Silkwood tells her boyfriend she is going to systematically probe company files for fakery, she haltingly repeats the phrase of union officials: "There's a moral imperative here."

The fear is that leaked plutonium could somehow fall into a pile and explode. But according to Daniel E. Simpson, a vice president at Westinghouse-Hanford, the company that runs the Washington State reactor: "The effect of the failure of a faulty fuel rod is essentially nil. Even a number of failures could never cause criticality," the point at which a pile of plutonium has grown large enough to start a chain reaction.

Moreover, as Kerr-McGee officials knew, all fuel rods upon delivery in Washington underwent scrutiny with equipment far more sensitive than that in Oklahoma. To date, according to Westinghouse officials, some 25,000 eight-foot-long fuel rods have been subjected to white-hot temperatures at the core of the reactor. Not one has ruptured.

At the movie's close, Miss Silkwood goes off to meet a New York Times reporter. We see her with a fat folder, apparently thick with incriminating papers. The myth, repeated in a written statement at the end of the movie, is that documents were never found. This is wrong. Lots of documents were found—but they in no way substantiated Miss Silkwood's charges that the company was doctoring evidence of faulty fuel rods.

And who was behind the ominous headlines that forced her off the highway? Despite the film's hints, evidence advised, in the course of

subsequent litigation suggests the culprit was anything but Kerr-McGee. Countervailing belief has it that damage to Miss Silkwood's bumper was done by the car of a mysterious killer. But according to the wrecker crew, it could have easily been done in the course of pulling her car from the culvert. The wrecker tried to drag the car over the culvert wall, failed after a half hour of grinding metal on concrete, and succeeded only after developing a way to lift the car over the wall.

The film, in a nod to the possibility of self-destruction, notes at its end

The movie overlooks some of the technical realities surrounding breeder reactors.

that "an autopsy revealed a high level of the tranquilizer Methaqualone and some alcohol in her bloodstream. Oklahoma police ruled her death a single-car accident." Not mentioned in this finale is that Miss Silkwood's stomach held more Quaaludes waiting to dissolve, and that the police officer who first investigated the accident, before getting the results of the autopsy, theorized she probably had fallen asleep at the wheel.

In short, the evidence in the case suggests that Miss Silkwood was not a nuclear Joan of Arc but an activist outraged by terrible working conditions who mistook a technician's shortcut for corporate cover-up and eventually became a victim of her own infatuation with drugs. That tale, while not very seductive, at least sticks to the facts.

## How Should We React To Violence on Screen?

By VINCENT CANBY

Does the new "Scarface" deserve to be rated "X" for violence? Is an "R" rating too lenient for "Star 80"? Should any movie that contains a single usage of one particular four-letter word—the word that the humorist Jean Shepherd describes as "the queen-mother of dirty words"—deserve an automatic "R"? Will we ever see the day when it will be possible to give an "X" on principle to all of Clint Eastwood's "Dirty Harry" movies, including the new "Sudden Impact"?

The motion picture industry's film rating board, moviemakers (including the special effects experts who make it possible to chop off a head in front of our very eyes), concerned parents and frockless, frequently bewildered amateurs like movie reviewers continue to wrestle with the question of who should or shouldn't see certain kinds of movies.

Very early in an otherwise forgettable pirate movie titled "Nate and Hayes," Hayes, a dashing, 19th-century rogue played by Tommy Lee Jones, is running through the tropical forest on a Pacific isle, attempting to elude some bloodthirsty Polynesian natives. At one point, between the facetious quips with which he comments on his precarious situation, one of Hayes's sidekicks is fatally impaled inside what appears to be a giant bamboo mousetrap. For half a moment Hayes—and the camera—impassively study the poor fellow, who has become a human sea urchin, and then carry on the escape.

Later in the movie, which goes into an extended flashback, the human sea urchin turns out to have been one of Hayes's most loyal crew members. Even at the time of the man's death, Hayes's good-natured heartiness had seemed callous. Later, it's scarily incomprehensible.

"Nate and Hayes," which in most other ways is a film designed for the adolescent and teen-age trade if I've ever seen one, is rated "PG" ("parental guidance suggested").

Near the beginning of "Scarface," which is the jazzy update if not quite a remake of the 1932 Howard Hawks-Ben Hecht classic, Al Pacino, playing a Cuban refugee-hood on the make in Miami, is forced to watch while some unreliable Colombian cocaine smugglers start to dismember his business associate with a portable electric saw. The "Scarface" camera, which usually has all of the discretion of a thoughtless undertaker, looks away just before the blade strikes, but we see the terrified Pacino as his face is bathed in his friend's blood.

In the course of "Scarface," the audience is also treated to the spectacle of a man being hanged by the neck from a helicopter in midflight, the comparatively bloodless execution of two other crooks and, at the end, a spectacularly staged, bloody assault on a Miami mansion in which just about everybody dies. When Mordecai Hall, who was then The New York Times's movie critic, wrote about the original "Scarface" on May 20, 1932, he said:

"The slaughter in 'Scarface'... is like that of a Shakespearean tragedy."

I'm not so sure that the slaughter in the new film, cannily written by Oliver Stone and directed by Brian De Palma with a good deal of extremely dark humor, is Shakespearean, but it becomes, toward the end, relentless. However, this bleak, harrowing relentlessness is one of the conscious points of an intelligent, highly exploitable if, for some, offensive film.

For others, nothing will match the bloody, blithe offensiveness of "Sudden Impact," which is a nearly two-

hour justification of a vengeful young woman who goes around northern California shooting men, first in the genitals, then in the forehead. Though the movie's allure is exactly the same as a porn film's, the rating is "R."

Because the initial "X" rating of "Scarface" was subsequently overturned by the members of an appeals board, the "R"-rated "Scarface" now just going into release is, I'm told, pretty much the version of the film that the rating board labeled "X." When I saw the film the other day, my initial reaction was surprise. If I'd been a member of the film rating board, I'd have given "R" ratings to both "Nate and Hayes" and "Scarface." This "Scarface" is too good—too rich in characterizations and incidents and too serious in its point of view—to deserve to be classified with the porn movies that glory in their X-iness. At the same time, "Nate and Hayes" is too mindlessly cruel to be a "PG." The film rating board, under the direction of Richard D. Heffner, has, I think, gone in the

Some films manage to make the world and life seem cheap.

right direction by calling as much—if not more—attention to violence as to sex in their ratings, but they're still limited in what they can do.

Unlike film critics, the members of the rating board cannot allow themselves to make aesthetic judgments about the films they're rating. Thus they must use the same criteria when rating a piece of out-and-out junk like "Death Wish II" as when rating "Scarface." When a movie is bad, small in its aspirations and crude in its execution, explicit violence of the sort that is today commonplace in movies becomes insupportable. These films make the world and life seem cheap.

Good movies—and I realize this is the sort of general statement that can't be easily proved—enrich our perceptions of what life is and what it can be. An obvious example of this is a movie like Ingmar Bergman's "Fanny and Alexander." "Scarface" is a far cry from "Fanny and Alexander" but it is a film that makes some real attempt to reflect the manners, morals and values of the society in which it takes place. It is ironic that the sheer gaudiness of "Scarface's" visual overstatement is what will be found most offensive, since its message is only a slight variation on those messages carried by the old Warner Bros. gangster movies. Says "Scarface": "Crime—and cocaine sniffing—do not pay." They also look tacky.

The film rating board is further hampered by not being allowed to publicize the specific reasons for the ratings that have been given to individual movies. Does such and such a movie carry an "R" because of its goriness or because someone uses the queen-mother of dirty words? For those people who pay attention to ratings, this information would be a service. It might also help if there were a rating between "X" and "R," or between "R" and "PG." All of this, however, comes under the heading of consumer services.

I'm not at all sure that films today are more violent than they were 10

years ago, though I suspect that they sometimes seem to be because the techniques by which violence can be made more explicit have been refined. The big leap toward more explicit violence was made in the late 60's and early 70's, partially as the result of the supposedly new freedoms allowed producers by the rating board, which replaced the old Production Code.

Remember the furor caused by Sam Peckinpah's "Wild Bunch" (1969), a fine film but one that, as I remember it, is certainly as violent as "Scarface"? Remember, also, Roman Polanski's unintentionally hilarious "Macbeth" (1971), in which Mr. Polanski successfully upstaged Shakespeare by trotting out Lady Macbeth to do her sleep-walking scene stark naked? Did anyone notice whether her eyes were open though their sense was shut? He then ended that feature-length joke by treating us to the sight of Macbeth's head being lopped off, on camera, to roll away into some prehistoric gutter.

Ever since "The Great Train Robbery," succeeding moviemakers have sought to out-do their predecessors' technical achievements. When it comes to action and adventure films involving violence, this has meant going just a little further than an earlier movie. In 1931 Mervyn Leroy's "Little Caesar" and William Wellman's "Public Enemy" were greeted by all sorts of cries of outrage.

In his review of "Public Enemy," Mr. Hall noted with some alarm the laughter with which Broadway audiences reacted to the film's wilder bits of mayhem—the same laughter, I suspect, that will be prompted in audiences watching the new "Scarface." Whether that laughter is cruel or cathartic, or some combination of the two, I've no idea. Yet if you take the trouble to see "Little Caesar" and "Public Enemy" today, and they are well worth seeing, you will be amazed at how tame they now look. People pull the triggers of tommy guns and victims collapse as if with fright. Though severely punctured, the bodies don't bleed in any rude, offensive way.

The furor over "Little Caesar" and "Public Enemy" prompted the people who ran the Production Code to get tough with moviemakers, to set out all sorts of do's and don't's relating to the portrayal of crime on screen. Samples: "The techniques of murder must be presented in a way that will not inspire imitation. Brutal murders are not to be presented in detail."

When Warner Bros. released the original "Scarface" a year later, they subtitled it—piously—"The Shame of the Nation." Moviemakers finally grew tired of all the hassling with the Code people and started to make pictures of the same sort, only with lawmen, instead of gangsters, as the heroes, "G-Men" being one of the most successful.

Because one's reaction to violence on the screen is so subjective, it's difficult for anyone—including the members of the film rating board—to deal with it in any fashion that's going to satisfy everyone. I remember being deeply moved and saddened by "The Wild Bunch," but when I saw Mr. Peckinpah's latest, equally violent and almost totally nonsensical "Osternman Weekend," I felt like saying a rude word. Very loud.

The film made so little sense that it appeared that the only reason for producing it was to insult the audience. That is, by bathing them in the same fake blood with which Mr. Pacino is splattered in the new "Scarface." However, "Scarface" is a legitimately vivid tale of corruption.



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# Heading for the work bench

By CHARLES HOFFMAN/Jerusalem Post Reporter

URING THE Cultural Revolution in China some 15 years ago, the service sector of the economy was thinned out by sending down hundreds of thousands of young people to the soil of the motherland.

There are no doubt many in Israel who would support the idea of sending down hundreds of thousands of young people to the soil of the motherland. This may be only a vision of what they and their bosses deserve for misleading the public about the soundness of bank stocks in this country, with its huge of Zionist pioneering, and labour is not supposed to be unskilled. And if our leaders seriously their own slogans of shifting manpower from the services to industry, they will have to rely on incentives and persuasion rather than Red Guard-style terror. That is our potential for using opportunity presented by the interlocking recession at our step for shifting workers to industry, thus giving our exports a desperately needed boost?

It depends first on the number of suitable candidates for industrial work. The number banded about recent weeks of "100,000 unemployed" as a result of the early measures adopted by the government may be exaggerated. It is subject to considerable misunderstanding.

A uncritical reading of headlines led some people to conclude that the total number of workers to lose their jobs as a result of economic measures — many of which have yet to be implemented will reach 100,000.

LOSER LOOK at the figures, ever, shows that it actually rises to the total number of unemployed expected during the coming year. That is, those currently employed — who number about 50,000 — plus those likely to be displaced by recession.

he head of the Manpower Planning Authority in the Ministry of Labour and Social Affairs, David E. points out a number of "ifs" may lower this figure: If the government does not succeed in cutting the government budget as it intends; if wages and incomes continue at their current level; and if the credit squeeze is not lifted consistently, then unemployment will be lower.

Even the present uncertainty over the direction and intensity of government's austerity measures, he concludes, a quantitative forecast about unemployment is impossible at this time.

IF THE freeze on hiring in the service sectors during the coming year and local demand for consumer goods declines, then new entrants to the labour force, who are about 25,000, will be in for a rough time. This group includes discharged soldiers, people finishing their studies, housewives looking for a job, and others.

o this figure we may add several thousand more job-seekers thrown out of work from banks and construction, from ailing industries, and as textiles, and perhaps from universities, too.

WATEVER THE NUMBER of employed walking the streets in the city of a job, many will not be able candidates for filling the thousands of positions now waiting in industry, most of them in the medium or high level skills. In this category, we find the thousands let off from textile plants and other industries based on low-

skill levels, many of whom are in their 40s or 50s and cannot start over by learning a new trade. Workers in some remote development towns who are willing to shift to industry or to learn a new manual trade may find that the industries that need them are located in another part of the country. Vocational training centres are also in shorter supply in the outlying areas.

We may also eliminate most unemployed academically trained workers from the pool of potential candidates for re-training for industry. They will continue to collect their unemployment benefits without being pressured to take manual jobs by the Employment Service.

For non-academics, though, the service wants to pass a law stipulating that any job offered by the service to a person up to age 25 may be considered "suitable work," subject to health and skill considerations, of course. If the non-academic job-seeker were to turn down the job offered, he or she would lose the right to unemployment benefits.

SOME JOB-SEEKERS with academic degrees, though, may be interested in re-training for essential auxiliary services to industry, which include computer-programming, marketing, accounting and systems analysis.

The head of the Ministry of

for industry with job-seekers falls on the employment counsellors, who work together with the placement clerks at the service. The counsellors, however, have a heavy workload that is bound to become more burdensome as the number of jobless increases.

They can discuss job possibilities and training programmes with potential candidates, but they have neither the time nor the professional qualifications to do a thorough analysis of a person's interests, aptitudes and personality.

Rachlevsky notes that one of the main obstacles in changing people's career plans is motivation, even if they are convinced that in certain jobs, industry may offer higher pay than routine white-collar work.

A person's social status and self-image in modern societies is determined by the kind of work he does as much as by how much he earns.

Some recent press reports suggest that the role of "persuader" in getting job-seekers to shift to industry would be played by the Centre for Occupational Information and Counselling, which is nominally attached to the Employment Service.

THE LATEST State Comptroller's report, however, found that the potential of the centres for in-depth job counselling is largely untapped by the service.

There are four such centres around the country staffed by psychologists, who deal with people

technological colleges, where courses last from one-and-a-half to two years.

The training centres for adults have a better track-record than vocational high schools in placing their graduates in industry since the former are closely geared to the changing needs of industry in the areas they serve.

According to Lavian, the centre is in constant contact with industries in the area and each year undertakes a survey to determine how many of its graduates get jobs. If the survey indicates that a certain trade is no longer in demand, then the course will be dropped.

Lavian says that 15 per cent of the students drop out during the courses, and of those who finish, between 70 and 95 per cent get jobs, depending on the trade. The centres do not guarantee jobs to their students.

Many of the students have little or no experience in industry, so the school tries to create an environment similar to that which the graduates will face later. Classes are held six days a week and follow a factory work day from 8 a.m. to about 4 p.m. Eighty per cent of the courses involve practical training in the centre's workshops or in factories, with the remainder theoretical classroom study. A counsellor and social worker on the centre staff also help students in adjustment problems.

FOR THOSE recently fired from white-collar jobs who are considering shifting to industry, it is best not to linger. Unemployment benefits last for six months at the most, while retraining courses go for several months longer. The ministry provides a monthly grant of 154,000 to 155,000 to students not receiving unemployment benefits, but this is hardly enough to cover living expenses. Discharged soldiers receive a grant over twice the size for the duration of the course, so they are in a somewhat better position.

Shifting from services to industry means bucking world-wide social and economic trends. It also means overcoming motivational problems among youth who have their sights set on white-collar jobs. Yet it seems that Israel has the potential to make a modest move towards correcting its imbalanced occupational structure.

The candidates are there, in the several thousand young people with a general high school education at loose ends after military service. The placement and training machinery exists, although it seems best-equipped to handle those who have already made up their minds to make the change. Some problems exist, too, in gearing the bureaucratic machinery to channel the appropriate candidates in the right direction.

IN THE FINAL ANALYSIS, though, economic conditions will be the ultimate persuader. If the recession is not long enough or severe enough, then most of the new entrants to the job market and those fired from white-collar jobs will simply ride out the storm.

And even if economic pressures persuade a growing number of jobless to re-train for industry, there is always room for bureaucratic obtuseness to four things up.

If the Treasury applies its austerity policy blindly, then it could fail to allocate the necessary funds to expand the capacity of the vocational training centres or to increase the grants for living expenses to those who have used up their unemployment benefits.

Then the opportunity presented by the recession would have been wasted.

Sir Charles put all his considerable love and weight behind his interpretation, and not only led the Jerusalem Symphony in a faultless performance — testifying to adequate preparation — but infused movement, colour and life into the performance. That the symphony, nevertheless, shows a certain desert dryness in the flowering carpet woven in the score, is surely not the fault of the conductor or of the orchestra, who all gave of their best.

Joseph Kalichstein's approach to Mozart's last concerto is one of delicate dynamics and slightly sentimentalized phrasing, perhaps oversteering the generally melancholic character of the work.

At times, one wished that the pianist would shed his restraint and reserve and give the many undoubtedly sunny spots their light and brightness. This would have given character and liveliness to the extraordinarily beautiful and intriguing music, which is both healthier and less pessimistic than it appeared in Kalichstein's pale interpretation.

The conductor, with good team spirit, kept the orchestra in the subdued mood established by the soloist.

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### MUSIC REVIEWS

complete, the *Rhapsodie* became the hit of the evening, with Cecato again creating a fascinating sequence of colours and shades, exquisitely rendered by IPO string and woodwind players.

We were treated to some superb solo effects and, as in the Webern, to exhilarating explosions of sound involving the whole orchestra. The music moved from level to level, constantly changing in tempo, rhythm and dynamics, as if improvised. Yet, despite the kaleidoscopic changes, the performance never lacked coherence.

BENJAMIN BAR-AM

SHINONOME CHORUS, the Japan Christian Friends of Israel (Jerusalem Theatre, December 4). Japanese Songs and Traditional Arts, conducted by Taro Nakamura. "Hushabab" and Songs on Jerusalem, conducted by Takao Sato.

THIS EVENT, presented by our Japanese friends who visit us from time to time to demonstrate their "dual loyalty," was a happy mixture of two cultures normally far apart geographically, historically and culturally. This time, the first part of the programme included songs and dances from apparently different periods of Japanese musical history, and featured an outstandingly interesting and impressive display of percussion instruments, expertly played.

The song "Hashar," set to music by conductor Takao Sato to words by the founder of the Beit Shalom Group, Takki Ozuki, cleverly uses older Israel tunes or closely related melodies, and was performed by the choir with nicely balanced

sonorities and in the appropriate spirit.

The selection of Israeli songs concentrated mostly on the soft, sentimental, old-time settings, and, as always, the diction of the Hebrew words was clear and highly intelligible. The atmosphere created was very soothing to our eardrums — so often cruelly attacked by over-amplification.

The full house was enthusiastic in its applause, and, when I had to leave after four encores, the choir was still singing. It's good to have friends like these!

YOHANAN BOEHM

THE JERUSALEM SYMPHONY ORCHESTRA — Sir Charles Groves conducting, with Joseph Kalichstein, piano (Jerusalem Theatre, December 6). Tippet: Suite for the Birth of Prince Charles; Mozart: Piano Concerto in B-flat major, K.595; Elgar: Symphony No. 1, Opus 55.

THIS WAS a very British occasion: Sir Charles Groves, a benevolent father-figure, conducting two major British composers (Israeli conductors abroad — take note!) in works of very English character. Sir Michael Tippett's suite, based on old folk tunes, and does not venture into any over-sophisticated speculations. Obviously his was a *place d'occasion*, and Sir Michael fulfilled his task with professional expertise, without straying too far from the sources. Elgar's symphony, on the other hand, is a weighty, full-length work, employing all the forces of a symphony orchestra, with a certain preference for the brass section, in extended elaborations and complex textures.

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فلا بد من الأمل



## Market beginning to heat up

AVIV. — "It was not just the professional investors, but also a number of the general public provided the market's techniques," one portfolio manager said yesterday. It was an indication, since the session ended to indicate that some of the investment community decided to take a cautious and grab-a-piece-of-the-action, professional investors and speculators have been responsible for a fortnight of positive market movements and generally rising in the stock exchange. In the we have noted that the general is generally the last to be a or a seller.

Yesterday saw 137 issues advance to 15 per cent, while another securities were marked as "buyers only." There were only six "sellers only" situations and only securities fell by margins of less than five per cent.

The public will continue to sell shares which are part of the "sell-off" until January 19 and as will continue to decline," commented a veteran economist. His prognosis was based a timetable which calls for a of bank shares, which are of the agreement with the surly, to place them in blocked schemes and at preferential prices, by January 20, 1984. He was stating that after the shares are "locked up," the prices of shares will begin to rise.

These remarks were made in the math of yet another session saw these shares fall and by 3.9 per cent.

### Tel Aviv Stock Exchange

By JOSEPH MORGENTHAU

Bank shares not part of the agreement with the Treasury, on the other hand, enjoyed a session of sharply advancing prices. Both Maritime Bank stocks were 15 per cent gainers, FIBI up 9.7 per cent while the shares of the First International Bank were "buyers only."

Mortgage bank issues were lower, as Binyan was among the few issues to enter the "sellers only" list. Tefahot ordinary shares were down 5.8 per cent.

Yardenia 0.5 was top percentage gainer in the insurance group, as it posted a 10 per cent advance. Menorah 1 was second best, with a 8.7 per cent jump.

The service and trade group featured continuously rising prices in the computer sector. Nikov Computers 1 was "buyers only," while the 5 stock zipped ahead by 15.1 per cent. The Nikov option soared by 31 per cent. Yaneh Computers was 5.7 per cent higher, while Clal Computers was five per cent higher in the wake of a "buyers only" situation.

Land development, real estate and citrus plantation issues were in tune with the rest of the market. Gains of up to 10 per cent were to be noted.

Industrials were full participants in the rally. Alliance was "buyers only." Arif chipped in with a seven per cent advance. Gal Industries 1 picked up 10 per cent, as did Lodzia 0.1. The Wolfman Mosaic stocks

were both the beneficiaries of 10 per cent rises.

Investment company equities enjoyed goodly demand as their prices advanced. Israel Corp. 5 was five per cent higher. Amps was seven per cent higher, while its attendant option picked up 21.3 per cent. Discount Investment was 10 per cent higher. Clal Israel 10 rose 13.3 per cent, while Piron rose by 6.9 per cent.

Oil shares moved counter to the general trend and reflected generally easing prices.

The shares of Teva Pharmaceuticals did not trade as the company announced that it had cancelled the share exchange between itself and Danot Investments. Teva also announced that it had come to an agreement with Koor Industries to the effect that neither side would take control of Teva, and equal representation on the board would be given to both sides. Furthermore, an additional partner, whose holdings would be in the order of 25 per cent, would be sought.

Mashov Computers announced that its first ever new financing issue was oversubscribed by almost 1.3 times the amount on offer. Orders for up to 200,000 shares would be fully honoured, while orders for more than this would be accorded 65 per cent of the amount requested. Today the Mashov 1 shares will begin trading from a base of 570.

The Israel Mortgage and Development Bank announced its intention to distribute bonus shares in the order of 100 per cent.

Mishkan, Bank Hapoalim for Mortgages had its B shares erased from trading. The exchange management took this step due to the low marketability of the Mishkan shares.

Fertilizers 0.1 and Yehalom Hotel shares were both established as "buyers only" for the second consecutive session and will trade today without any price limitations.

### Account Investments pays 100% bonus

Post Finance Reporter

AVIV. — The board of directors of the Discount Investment Corporation (DIC) yesterday announced the distribution of 100 per cent bonus shares on account of its 1983.

While the company generally advances its results for the calendar the following April, it announced yesterday that so far in it had recorded more than 1 million in capital gains. In the total capital gains stood at 10 million.

The total market valuation of the shares traded on the Tel Aviv Stock Exchange was \$48m. as of December 8. The value of all listed securities held in the DIC portfolio

on the same date was \$89m.

The market value of DIC's holding of shares traded partly or wholly in the U.S., including those of Elron, Seitz and Elscint, amounted to \$62m.

In addition, the value of the corporation's holdings in shares traded on the Tel Aviv Stock Exchange, including those of Argam, Israel Can, Elco, Delek, Phoenix, Clal, American Israeli Paper Mills, Property & Building and Kijl, came to about \$22m.

The figures do not take into account DIC's investments in non-quoted private companies, such as Iscar, Iscar Blades, El-Yam, Mul-T-Lock, and others. The long-term deposit portfolio is also not included in the valuations.

### Australia decides to float its dollar

SYDNEY (Reuters). — The Labour government's decision to float the Australian dollar from today was welcomed Saturday by the country's Conservative opposition as well as the banking, mining and farming industries.

The decision, which came after Australia suspended all dollar trading, brought the country into line with most Western industrialized nations, whose currencies are already determined by market forces.

James Strong, executive director of the Australian mining industry council, said it would remove a lot of the pressure on the economy caused by overseas speculators bringing money into the country. Speculators had brought 1.5 billion Australian dollars in the past week, snapping up a currency they felt was undervalued.

The influential daily Australian said the flotation and the relaxation of foreign-exchange controls had "opened up our financial system to the world and laid the framework for Australia to share in a potentially thriving international capital market."

### Singapore aviation show

Jerusalem Post Reporter

TEL AVIV. — Eleven leading manufacturers of military equipment are to participate in an aviation show to be held in Singapore next month.

The companies include Raphael, Israel Aircraft Industries, Elbit, El-Op and others. Among the products to be shown will be a radar for the detection of aircraft, an electronic warfare complex which is mounted on a half-track, flackjackets, a lifebelt developed for the navy and a mini-laser.

Company	Volume	Change	% Change
Commercial Banks			
IDB A	1110	+10	+0.9
IDB B	1110	+10	+0.9
IDB C	1110	+10	+0.9
IDB D	1110	+10	+0.9
IDB E	1110	+10	+0.9
IDB F	1110	+10	+0.9
IDB G	1110	+10	+0.9
IDB H	1110	+10	+0.9
IDB I	1110	+10	+0.9
IDB J	1110	+10	+0.9
IDB K	1110	+10	+0.9
IDB L	1110	+10	+0.9
IDB M	1110	+10	+0.9
IDB N	1110	+10	+0.9
IDB O	1110	+10	+0.9
IDB P	1110	+10	+0.9
IDB Q	1110	+10	+0.9
IDB R	1110	+10	+0.9
IDB S	1110	+10	+0.9
IDB T	1110	+10	+0.9
IDB U	1110	+10	+0.9
IDB V	1110	+10	+0.9
IDB W	1110	+10	+0.9
IDB X	1110	+10	+0.9
IDB Y	1110	+10	+0.9
IDB Z	1110	+10	+0.9
Land, Real Estate, Citrus			
Oron	168	+149	+8.9
Oron 1	232	+10	+4.3
Oron 2	181	+177	+9.8
Oron 3	181	+177	+9.8
Oron 4	181	+177	+9.8
Oron 5	181	+177	+9.8
Oron 6	181	+177	+9.8
Oron 7	181	+177	+9.8
Oron 8	181	+177	+9.8
Oron 9	181	+177	+9.8
Oron 10	181	+177	+9.8
Oron 11	181	+177	+9.8
Oron 12	181	+177	+9.8
Oron 13	181	+177	+9.8
Oron 14	181	+177	+9.8
Oron 15	181	+177	+9.8
Oron 16	181	+177	+9.8
Oron 17	181	+177	+9.8
Oron 18	181	+177	+9.8
Oron 19	181	+177	+9.8
Oron 20	181	+177	+9.8

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## Who is bluffing whom?

THERE IS indeed something obscure about the United Nations, an organization ostensibly dedicated to peace and human dignity, offering its protection to the PLO, a terrorist outfit which has just claimed credit for the murderous bus explosion in Jerusalem last week, in which five persons, including children, have already died.

Premier Yitzhak Shamir was right to voice his condemnation of this strange act by the UN's Secretary General, Perez de Cuellar.

But does it follow that Israel is going to forcibly prevent the exodus of Yasser Arafat and 4,000 of his embattled supporters from Tripoli in ships flying the Greek flag? That would be an act of folly which this country can hardly be expected to undertake.

Whether the western powers will, as they have been requested to do, supply naval escort for the PLO convoy, is at the moment uncertain. But the western powers, and this includes the U.S., have indicated their support for the idea of safe conduct for the Fatah loyalists, forced into a corner of Lebanon by the Syrian-backed rebels. This is, in fact, viewed as part of the process of the evacuation of all foreign forces from Lebanon.

It is not very likely that Israel will recklessly defy this collective western judgment. Israel's refusal to guarantee Arafat's safe departure from Tripoli is therefore pretty meaningless.

What, in any case, would have been the purpose of blocking the Fatah exodus? Would it have been to finish the loyalists off physically? Or to take them prisoner and incarcerate them at Ansar again? Or was it just to take care of Yasser Arafat himself — to kill him, or to capture him alive and then put him on trial for the crime of terrorism before an Israeli tribunal?

The possibility of doing away with the PLO chairman has doubtless occurred to Israeli policy-makers on more than one occasion in the past. The opportunity of doing so must have presented itself time and again during the Lebanese war last year. If it had been considered worthwhile, all that Ariel Sharon, as defence minister, need have done was to issue the orders. Apparently it was not considered worthwhile.

And for good reason, too. Yasser Arafat, alive in Israeli hands, would have proved merely a terrible embarrassment — and, if martyred into death, he would have turned into a greater symbol of Palestinian nationalism than he ever was during his lifetime.

Despite the perfectly understandable desire to avenge the victims of the Jerusalem bus outrage, the argument for letting Arafat and his men go has not lost its cogency. The government, however, is finding it difficult to openly admit as much. Thus it is making threatening noises about taking action, maybe. It is simply an unedifying exercise in domestic public relations.

## Traitors all!

THE CABINET yesterday did not discuss the demand by Ariel Sharon, minister without portfolio, for the appointment of a judicial inquiry committee to investigate "the matter of the serious and intrusive interference in Israel's internal affairs by Ambassador Samuel Lewis."

Mr. Sharon cannot seriously have believed that any such committee of inquiry would actually be set up. If the reported suggestion by the U.S. ambassador to the late deputy premier, Simha Ehrlich, about a year ago, that Mr. Sharon was an impediment to orderly Israel-American relations is a proper subject for investigation, then surely so should be the recommendation of Yitzhak Rabin, when Israel ambassador to Washington some years ago, that the American electorate choose one presidential candidate over another as being more favourably disposed towards Israel. Perhaps, indeed, an investigation should also be conducted into Mr. Sharon's own repeated charges that the U.S. defence secretary, Caspar Weinberger, is an obstacle in the way of improved ties between the two countries.

In practical terms, of course, the idea of such a committee of inquiry is preposterous. Mr. Lewis cannot be interrogated by any Israeli judicial panel, and Mr. Ehrlich is dead.

Plainly, a case study of American interference in Israel internal affairs was not what Mr. Sharon was after in making his demand, and officially communicating it to Premier Shamir. His true purpose was to disabuse Israelis of the notion that Mr. Sharon's removal from office was effected by a cabinet decision, proposed by ex-premier Menachem Begin, adopting, at least in part, a recommendation made by the Kahan Commission, following a thorough judicial inquiry into the circumstances of the Sabra and Shatila massacres.

That cabinet action, Mr. Sharon would have the nation believe, was due to a nefarious plot by pro-Syrian and pro-PLO American officials who somehow orchestrated the Kahan Commission and then obtained the traitorous collaboration of "the late Simha Ehrlich of blessed memory" and other unnamed cabinet members whose actions recalled the Jewish collaborators with the Nazis in the ghettos of Eastern Europe during World War II, and the Israeli Jews who traitorously passed on state secrets to the Soviets.

They all ganged up on Ariel Sharon because it was he who represented Israeli patriotism in its pristine purity.

Any comment is virtually superfluous — except to propose that, if an examination is warranted, it is into the warped mind of Ariel Sharon, the main author of the country's Lebanese tragedy and an irrepressible defamer of the cabinet in which he still nominally retains a seat. Or perhaps into the mind of the cabinet that allows him to retain it.

# Israel and the Third Wave

By GAD YA'ACOB

IN HIS book *The Third Wave*, Alvin Toffler dealt with the "Third Industrial Revolution," which has started to occur in the industrialized world. It involves major changes in all aspects of human life and is characterized by the computerization, automation and robotization of industrial production, and by a major change in the occupational structure.

Despite all its economic problems — some of them caused by objective factors, but most by erroneous policy — Israel is one of the countries in which the "Third Industrial Revolution" has begun to occur, and in which it has good prospects of developing. This being the case, the policy-makers in Israel have a duty to prepare the country for it and, for reasons to be enumerated below, to encourage its full realization.

What is called for is not planning that dictates and interferes, but a form of *dirigisme* — planning that sets goals and orders of priority and then goes on to guide and encourage various factors in the economy, both private and public, domestic and foreign, to act in the desired direction.

In the case of the "Third Industrial Revolution," dirigisme also involves adjusting the system or education to comply with new needs, supporting R & D, in addition to the provision of infrastructure, economic incentives and even some major government-initiated projects, which can act as primers for development.

Including Israel within the framework of Toffler's "Third Wave" is not presumptuous. It is no secret that scientific and technological breakthroughs have

occurred in Israel that are among the most advanced and daring in the world. True, these breakthroughs have not swept through all of Israeli industry; they have left many spheres of the economy untouched, while large segments within the various establishments still fail to grasp their full significance. Yet, Israel may be counted among the 14 states that produce some 90 per cent of all the new technological and scientific output in the world. In fact, in proportion to its population Israel has a larger number of scientists and a higher technological and scientific output than many of the other 13 states in this category.

Some of this output is reflected in existing Israeli industry in advanced production processes and in the manufacture of highly sophisticated, innovative products; while the rest is sold abroad as software or remains unused. The potential for making productive use of locally developed technological and scientific know-how is unlimited, and it is here that some government thought, encouragement and incentives are required.

My wish to see Israel play a major role in the "Third Wave" is not motivated by an infatuation with sophisticated industry and futuristic dreams. I see this as a necessary element in the fulfilment of economic, political and ideological goals.

FULL ECONOMIC independence is a main goal, which will lead to the realization of all other economic goals. These goals, in my view are as follows:

- A balanced, high rate of economic growth and development, evenly distributed throughout the country;
- Reducing the size of Israel's trade deficit to dimensions that can be covered by capital imports without recourse to economic aid;
- The creation of new jobs in productive industries and the avoidance of unemployment, whether temporary and structural or general;
- Keeping the rate of inflation under control;
- Raising the overall standards of living and education;
- Closing economic, social and cultural gaps.

The dynamic development of sophisticated, high-technology, know-how-intensive industries throughout the country, but concentrated especially in those regions that are underdeveloped or in a state of stagnation, will serve the attainment of most of these goals.

Israel is a poor country in terms of natural resources. Its labour force is small and relatively expensive. On the other hand, a large part of its population is either highly skilled and educated, or with an easily realizable potential.

Brains, resourcefulness, motivation and skill are where Israel's relative economic advantage lies, and these attributes are best utilized in the development of sophisticated industries. The mere movement into what is called post-industrial society, with all its opportunities, possibilities and challenges will not

only encourage people to make an effort and increase productivity but, I believe, will also generally create a positive spirit and change behavioural patterns that have impeded more rapid development.

Concentrating on the development of sophisticated industry will help Israel close its balance-of-trade gap, since it will be able to produce goods with a high-exporting and import-substitution potential. It will encourage capital imports and local investment, and will involve rapid economic growth. According to realistic forecasts, the development of such industry could create, by 1995, some 250,000 new jobs — over one-quarter of them for university graduates and highly qualified technicians.

ONE OF the chief means of attracting massive immigration of highly educated and qualified Jews, most of whom here neither suffered from any form of persecution nor lack economic opportunity where they live, and to prevent further veridra and a brain-drain, is to offer challenging and promising professional and economic prospects within the framework of an up-to-date and sophisticated industrial sector.

From its very beginning, Labour Zionism not only called for the concentration of the Jewish people in the Land of Israel, to renew its sovereign national life, but also advocated the development of a certain kind of society: a society based on the return to the land, on pride in labour, on economic equality and

cooperation, on the shunning of parasitic occupations. In the years, the idealized form economic activity were agricultural and manual labour.

Today, agriculture in Israel developed to such an extent that openings for further development and expansion are limited, while attraction of manual labour, which to many pioneers had been novelty, has worn off. On the other hand, productive, skilled labour is both attractive and rewarding, and it is only the sophisticated branches of industry that can offer large numbers of that fulfil these specifications.

Finally, there is the question Israel's international role. I believe that after we have explored all kinds of imaginative and creative industrial possibilities, and after have found working solutions to many problems that are bound to arise, Israel will be in a unique position to act as a model and guide many other developing countries. It has been doing in the sphere agriculture and cooperatives for last few decades. In a sense, may view Israel as a sort of "pilot state" — to borrow a term from former president P. Ephraim Katzir.

Anyone familiar with some of magnificent technological scientific developments in Israel the last decades knows that this is no fantasy but a reality that is already unfolding before our eyes — a reality which needs, however a good deal of support and encouragement, from a government with a vision and a course, which can bring it to fruition.

The writer is a Labour Party MK spokesman on economic affairs.

## Questionable practice

By DAVID KRIVINE

Q. What's happening in Israel's ports?

A. We are fixing the dockers' salaries.

I thought you were halting Israel's exports.

That's the way we do the salary-fixing.

But whole cratesful of good agricultural produce are being burnt — produce that the farmers worked hard to cultivate.

That's regrettable, but we have to fix the pay, don't we?

Your argument is hard to follow. After all, the government has agreed to increase the dockers' wages.

True: there is however a condition, that work gangs be reduced in size — which would mean dismissals. The dockers won't accept that.

Over 500 employees are going to be dismissed in Ata Textiles, and there's no strike there.

What would be the point? They can't do the damage the dockers can.

But the dockers are free to retain their jobs if they give up their demand for a pay rise. Ata workers have no pay rise and are being dismissed all the same. Is that fair?

Fairness has nothing to do with it, we are talking about wage bargaining.

Agricultural workers get less pay

than dockers, yet they produce the crops. All the stewdors have to do is carry those crops from truck to ship's hold. Instead they cause them to be burnt. Is that reasonable?

Fair, reasonable — this is not a seminar on social ethics.

Well what is it then?

I told you, it is a wage-fixing procedure.

There must be a more sensible way of fixing wages than by destroying Israel's exports.

The doctors got their wage rise by destroying Israel's patients, what's the difference?

The difference is that medical services were available against payment for those who needed them.

Available? With all those hunger-striking doctors passing out for lack of nourishment? Don't give me that stuff.

Why shouldn't the government's Economic Planning Authority fix wages?

It wouldn't be democratic.

What is democratic?

Negotiation.

What happens if the negotiating parties don't agree?

In that case, the issue is settled by force. Whoever can do the most destroying wins.

Would it not be better to have a third party arbitrate the dispute?

Not on your life. The unions would never agree.

Why not?

It isn't democratic.

Does society benefit from this costly method of wage-fixing?

What's this, another seminar? We are not talking about society and its benefits, we're talking about wages.

Finance Minister Cohen-Orad has stated that living standards must drop by 10 per cent. How will that happen?

Easy. Public sector wages will stay put, private sector wages will drop by 29 per cent.

Why should that be?

Firms in the private sector can go bankrupt. The public sector prints

its own cash.

But nearly all the country's exporting branches — industry, agriculture, tourism — are in the private sector.

Too bad.

Suppose the private sector decides to strike anyway, at the risk of bankrupting its employer.

It wouldn't work. A factory stops producing, so the owners are ruined and the staff are unemployed. So what?

But the unions are supposed to look after job security.

When diamond sales dropped to less than half, who bothered about the diamond workers' job security? They were on the street.

Building workers are being shed at this moment, and nobody says a word. No, you can't get away from it: what counts is the power to destroy.

How is it that the public-sector workers have so much power to destroy?

Because they are all monopolies. Look around you. If the electric workers strike, the whole country is blacked out. If the teachers strike, million kids get no education. If the National Insurance Institute strikes, the poor get no pensions — not the poor in Kfar Ata, all the poor in the country.

Can't the poor strike?

That's a joke. The poor have no money.

Why not?

Because they haven't the power to destroy. Suppose all the poor in the country went on strike, wouldn't it damage anybody's interests, save their own?

But the poor need relief more anybody else.

More seminars on social justice. I think that the Economic Planning Authority should plan wages, on basis of resources available, economic priorities and human need. It should be declared illegal.

Strikes illegal? Are you on your mind? That's fasc.

Organized labour has the right to strike, and that is that.

You mean the workers who have power to destroy have the right to strike, don't you? The less private categories almost never do.

I said organized labour, didn't I?

The writer is a member of the Jerusalem Post editorial staff.

### READERS' LETTERS

#### WIZO AND YOUTH ALIYA

To the Editor of The Jerusalem Post: Sir, — I refer to the astounding omission of any reference to the role played by Wizo in the work of Youth Aliya, both past and present, in the interview with Youth Aliya chairman Uri Gordon (November 27). For the record and for the sake of historical accuracy, allow me to point out the following facts:

1. Anyone who has read Recha Freier's book, "Let the Children Come," will be aware that Rebecca Sieff, one of the founders and the first president of Wizo, was very much involved in the work carried out by Youth Aliya and was in fact instrumental in 1938 in obtaining the first 1,000 certificates for young members of Hehalutz in Germany to enter England, by intervening on their behalf with the British authorities.

2. Since the inception of Youth Aliya, tens of thousands of Youth Aliya pupils were educated at Wizo agricultural boarding schools in Nahalal, Hadassim, Afula, Nahlat Yehuda, the Petach Tikva School of Gardening and the Vocational School in Rehovot.

3. Wizo's largest Federation, Canadian Hadassim-Wizo, annually contributes \$1.5 million to the educational work of Youth Aliya.

RAYA JAGLOM  
President, World Wizo

Tel Aviv.

#### PENFRIENDS

MARGIT SCHUSTER (20), of Ismaninger Strasse 36a, D-8050 Freising, Germany, would like to correspond with Israeli soldiers up to the age of 30.

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To the Editor of The Jerusalem Post: Sir, — With all due respect to the scholarship of Professor Alex Carmel, "Mission Impossible," (November 18) is not only possible, but it is happening right here under our very noses.

We do not question Professor Carmel's knowledge when it comes to the subject of our country's history. However, we wonder at any philosophy which lauds the good work that is done by missionaries at the expense of the Jewish soul.

Does Professor Carmel believe that the means justifies the ends, and that the Jews are empowered to give Jewish land to a Christian mission only because that mission has given 10 million dollars to Jewish-Israeli causes. We refer to the case of Beth-Shalom-Midnight Call Ministries International.

Professor Carmel admits there are no reliable figures showing the numbers of Jewish converts to Christianity, but in his estimation, they do not exceed 1000. Why there are no reliable figures is obvious. There is a social stigma attached to converting, and this is why the

Jewish convert, or Hebrew Christian as they are also known here, are loath to publicize the fact among their Jewish friends.

In spite of this, we do have some statistics. For example, Ludwig Schneider, a Hebrew Christian journalist who lives and works in Jerusalem, offers 2000 Hebrew-Christian believers in Israel.

Our organization is devoted to investigating, uncovering, identifying and reporting on missionary activity in Israel (among other aspects of our work). Therefore, we believe we can offer some expertise on a subject which has occupied us for over 30 years to support our claims of a major mission operation now taking place in Israel.

Proselytizing is big business. We are not dealing with isolated cases, a few insignificant groups, or even one major mission. We are dealing with an army. And this army has unlimited funds at its disposal.

Missionary activity in Israel is neither a figment of our imagination,

### MISSIONARY ACTIVITY IN ISRAEL

tion, nor are we overestimating its severity. Every day, this office receives telephone calls, letters, personal calls from irate and angry Jews from every stratum of Israeli life and society.

This office has completed the first sections of a major study/report on Christian and Hebrew Christian

Missionary activity in Israel, hope that it will raise greater awareness as to the enormity of a problem, a problem which affects not only our future, but children's future, and the future of Jewish souls not yet born.

SYLVIA VICKI

Yad L'a

Anti-missionary Department, Jerusalem.

**If you think times are tough, consider the less fortunate around you.**

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The 4th Annual **"FORSAKE ME NOT"** Fund

### POSTSCRIPTS

OUR FINANCIALLY troubled universities may well be advised to look to their closed library stacks.

In New Orleans, Louisiana, for example, an old book found in the library of St. Mary's Dominican College could help give new life to the financially troubled school.

Library director Elaine Mount said the 1497 copy of *The Nuremberg Chronicle* is probably worth at least \$50,000 and perhaps several times that.

"It's the equivalent of finding a Rembrandt painting no one knew existed," she said.

The book is a history of the world from creation to what were contemporary times for its unknown authors. History Professor William

Crawford found it recently on the bottom shelf of the library's "old books" room.

The volume, bound in crumbling brown vellum, contains about 2,000 woodcuts by Pleydenwurff and Wolgemuth, members of the workshop of master artist Albrecht Durer.

The illustrations of saints and more contemporary notables are sharp and clear, as is the gothic print.

The college, which said earlier this year that the current school year may be its last, is trying to raise \$6 million to keep going for at least five more years.

Mount said the book will be sold to a museum or another school.